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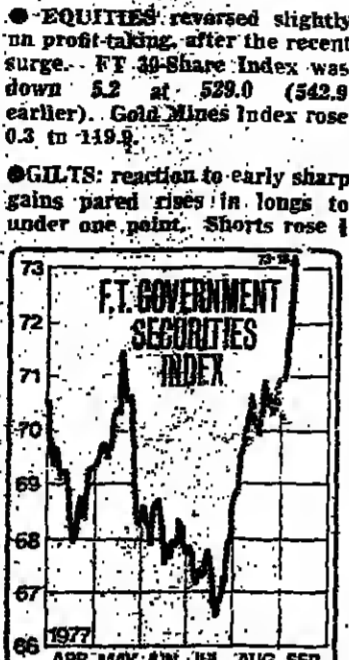
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NEWS SUMMARY

General Amin said to be in coma

President Carter and Mr. Pierre Trudeau...

Business Gilts at 5-year high; £ slips



U.S. and Canada plan 2,700-mile natural gas line

BY STEWART FLEMING, NEW YORK, September 8

President Carter and Mr. Pierre Trudeau...



The project has important implications for the U.S. whose reserves of natural gas have been declining...

The strong buyout exhausted supplies of the official tap stock, Treasury 94 per cent...

National bread strike called

Bakers' Union has called a national bread strike...

before issues ranging from Government securities index...

- GOLD fell 5 1/4 to \$147.625.
• STERLING fell two points to \$1.7430.
• WALL STREET fell down 3.12 at 873.27 near the close.

press meeting

Newspaper Publishers' Association...

in visit off

Prime Minister has called two-day visit to Bonn...

annel record

Andy Nichols, a 19-year-old student...

h lecturer

Keith lecturer will be H. Halsey, director of administrative studies...

s defeated

Wade's hope of adding Opeo title to her crown...

nge, say IRA

IRA, submitting reply for the murder of dare haulage contractor...

COMPANIES

- BOWATER CORPORATION first-half pre-tax profits advanced to \$4.7m.
• CADSWBY-SCHWEPPE'S pre-tax profit rose to £18.7m.

Highway

It is pointed out that the proposal which the President intends to recommend to Congress...

Ministers to study plans for small businesses

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A NEW Government strategy to help small companies by designing special tax reliefs...

Lending rate cut expected to-day

BY MICHAEL BLANDEN

A further cut in the Bank of England's minimum lending rate...

Hopes of lower interest rates sustained demand for stock in the gilt-edged market yesterday.

The strong buyout exhausted supplies of the official tap stock, Treasury 94 per cent...

Big step

Its exhaustion means that the Government has taken another important step towards fulfilling its financing needs...

The Financial Times Government securities index ended the day with a gain of 0.37 at 873.25...

The market reaction partly reflected uncertainty over the amount by which MLR would come down to-day...

The Bank again gave a signal through its lending in the discount market...

TUC refuses to set £50 pay minimum

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC yesterday gave Congress has however given public sector workers some support...

The importance of the decision was that it removed automatic TUC support for groups of workers pursuing high wage increases...

It was the £30 target that helped fuel the wage explosion of 1974-75, when some low-paid groups achieved it...

Time

Yesterday's vote came the day after Congress had endorsed the TUC's 12-month rule...

The Government is expected to produce legislative proposals in the next month...

Required

This was generally taken to mean that the authorities would accept a cut of 1 per cent in MLR...

Treasury bills were trading yesterday at levels which would bring MLR down to 61 per cent...

market the pound remained generally strong, the Bank intervening again to hold the rate down...

FEATURES

Table listing feature articles: Daphne Times for 15, Politics to-day 23, A takeover dilemma 15

ON OTHER PAGES

Table listing other pages: Appointments 27, Arts 12, Business for Sale 12

if a Scotsman swallows his pride...



it's BELL'S

ARTHUR BELL & SONS LTD., ESTABLISHED 1825 AND STILL AN INDEPENDENT COMPANY

Rover men reject night shift

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

PLANS to step up production of Leyland's highly rated Rover 3500 model...

work night-shifts. The heavy blow to Leyland's attempts to remove the long and embarrassing supply bottleneck...

The Government's interest in this field dates at a time when the CBI is preparing for a major campaign on the subject...

Providing such companies with a new deal would therefore be politically convenient because it could help the unemployment situation...

From a commercial point of view, it will be argued, valuable entrepreneurial skills will be released and the industrial base of Britain strengthened.

Not all the problems at Solihull are directly attributable to difficulties within the plant itself. There have been considerable component supply problems within in the last year...

PRICE CHANGES YESTERDAY

Table of price changes: Cons. Gold Fields 178 + 6, Flour 145 + 5, Southern Malayan 218 + 30



# Hypnotic visions

by NIGEL ANDREWS

**Heart of Glass (A)** Paris Pullman  
**The Other Side of Midnight (X)** Emipize  
**The Island of Dr. Moreau (A)** Rialto  
**Hitchcock** Camden Plaza

A coward who sees visions of the end of the world; a glass-factory owner who has lost the secret of making his most valuable product, "ruby glass"; a pair of drinking companions who kill themselves in a born, height on top of the other; a crop-headed servant girl who performs a striptease on a tavern table; a knife fight in the snow between a hunter and an imaginary bear; a rocky island from which four men set out in a rowing boat to discover if the world is round.

**Heart of Glass** could have been made by no other living filmmaker than Werner Herzog. The European cinema's resident visionary, whose bizarre genius gave us *Aguirre, Wrath of God* and *The Mystery of Kaspar Hauser*. I have often suspected that there is a giant, secret master-plan behind the New German Cinema. It's trio of leading film-makers—Fassbinder, Herzog, Wenders—are so ideally erewdy matched and so ideally implement each other that one cannot believe it an accident but that they all blossomed simultane-

ously in the same country, back and forth between the factory owner's house and the village, the decaying town of the peasants—but Herzog frames the whole of this story between sequences that open and close the film. The first is the cow-herd's hilltop vision of the world's end: a dream-collage of waterfalls, bubbling lava beds and mountain landscapes skinned by scudding rivers of cloud. The second is the story of the four remote islanders who set sail with the zeal and madness of pioneers, to discover whether the world is round.

Perhaps Herzog is telling us that renewal and destruction, heroism and self-sacrifice go hand in hand; that there can be no new-age without the painful, ritual immolation of the old. But Herzog would be the last to encourage his audience to take away any tidy message from his films, and so one feels caught between the devil of a too neat interpretation and the deep blue sea of total bewilderment. All one can do is first suggest that the film-makers and Herzog enthusiasts in particular, see the film for themselves; and secondly, gratulate the Paris Pullman on having the courage of their loyalty to Herzog by giving one of his most difficult films a major London run. Time, patience and understanding may yet reveal it

to be one of his best. Film-lovers saddened by the death of what were known in the 1950s as Women's Pictures—soft-centred, unrequited passion-clad and *Bonnie or Puss with Dick and Jane*, a film such as this seems like the end of a starvation diet.

**The Island of Dr. Moreau** brings us back to Hollywood of its low-calory worst: an emulated adaptation of H. G. Wells's tale of vivisection in the South Seas, that does justice neither to the original novel nor to memories of the earlier film version (1932) starring Charles Laughton. That too was unfaithful to Wells; but at least what it threw out of the original it replaced with some daring and Here histrionic solemnity, in the person of Burt Lancaster's ponderously dignified mad scientist, whoites with village-hall pedantic values to produce a film indistinguishable from the curate preaches of *The Planet of the Apes* series.

Dr. Moreau, you may or not remember, is the eccentric surgeon who runs a sinister laboratory where wild animals are turned into humans. Ostracised, he is surprisingly by the European medical establishment, he has set up his home on a Pacific island. Thither one day comes an ingenious young man (Michael York) who has been washed ashore by a shipwreck. Appalled, over ensuing days, at the atrocities the doctor is committing in the name of science, he determines to escape before the surgeon turns his attention to him and his scalpel towards his guest.

The film departs from the novel in so many debilitating ways that they would be tedious to enumerate here. The chief and most heinous change is that the engines of Moreau and his harrowing climax I had some real horror to his activities—but instead a kindly medicine which uses a syringe to effect his biological transformations; injecting some sort of chromosomes into his patients. That the film is not longer a thriller, but a kind of medical melodrama, is enough to emasculate the whole story. The film also boasts some unimaginative make-up, much disbelievable rhubarbing among the Beastmen, and the most perfunctory heroine (Barbara Carrera as Moreau's daughter) that Hollywood has ever pushed, half-closed and stammering into the pages of an all-male novel.

Finally, showing at the Camden Plaza for two weeks, and bigly recommended, is a season of Hitchcock films. Four of the master's early works are at your disposal, including the much-loved *The Lady Vanishes* (in a new 35mm print) and the rarely seen 1937 *Young and Innocent*.

## The Entertainment Guide is on Page 34

**Imitation of Life and Madame X.** sleek, surefooted and unrepentant in its sentimentality is the film that it can be one suspects, he the trailblazer for a host of such movies.

Set in the 1940s, the film tells the story of Noelle Page (Marie-France Pisier), a young girl from Marseille, whose early experiences of male treachery—first she is hired out by her father as the mistress of a local shop-owner, then she runs off to Paris and is deserted, then a brief but passionate affair with the American serviceman (John Beck) who has made her pregnant—sharpen her natural survival instinct into a sophisticated talent for vengeance. She leaves with the careerist ability that one only finds in Hollywood films—the pinnacle of worldly success: first as a movie actress, then as the mistress of a Greek ship owner (Raf Vallone). From this vantage point she summons the unfaithful American back to Europe, with a public wife that the vacant job as pilot on her private plane. The engines of Moreau are set in motion, and welding vivisection—which lent the harrowing climax I had some real horror to his activities—but instead a kindly medicine which uses a syringe to effect his biological transformations; injecting some sort of chromosomes into his patients. That the film is not longer a thriller, but a kind of medical melodrama, is enough to emasculate the whole story. The film also boasts some unimaginative make-up, much disbelievable rhubarbing among the Beastmen, and the most perfunctory heroine (Barbara Carrera as Moreau's daughter) that Hollywood has ever pushed, half-closed and stammering into the pages of an all-male novel.

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King's Theatre, Edinburgh

# Mary, Queen of Scots

by RONALD CRICHTON

Thea Musgrave's new opera *Mary, Queen of Scots*, performed by the company's musical explorations of Scotland's past. Miss Musgrave has based her libretto on a play, *Moray*, by Amelio Elguera, who wrote the text for the composer's previous opera, *The Voice of Ariadne*. The action is confined to the years of Mary's return to Scotland after the death of her first husband, the King of France. It concerns the rivalry for power over Mary and her country, between her half-brother James Earl of Moray and the soldier Earl of Bothwell, and also her unwise, unhappy second marriage to Darnley. The opera ends with Mary's enforced departure for England. Elizabeth is only a distant menace.

Miss Musgrave takes as many liberties with history as an Italian writer spinning romantic plots for Donizetti. Some historical characters, John Knox for example, are ignored or merely mentioned. Others, such as Cardinal Beaton (not the real one) and Lord Gordon, have to be invented. In opera, historical accuracy is of minor importance provided that drama and music between them supply the kind of essential truthfulness that can be more illuminating than historical facts dully recited.

The strongest part of *Mary* is the second act, in which the full extent of James's ambition becomes clear and the Queen gives herself to him after he has been implicated in the murder by the drunken Darnley of her favourite, the court musician Rizzio. The scene earlier in the act between Mary and the half-brother she loves but rightly mistrusts is the nearest thing to a too-crowded scenario to an exploration of the strange relationship which might profitably have been the opera's central theme. The first act moves too slowly, though it includes an excellently written (and, by producer Colin Graham and choreographer Peter Darrell, brilliantly staged) ballroom scene in which Bothwell and his rowdy soldiers impose Scottish reels on the foreign songs and dances led by Rizzio.

The third and last act, on the other hand, is too drastically compressed—apart from a quiet opening with Mary crooning lullabies over the infant James (later to become the ruler of the joint kingdom of England and Scotland)—and there is a succession of violent, melodramatic episodes. Bothwell, whom Mary has summoned from bed, where they are too less promptly discovered by the inopportune returned James. The murder of Darnley is announced, but passes almost unperceived. James roasts Bothwell, who is leaving for England, the rate, makes her seem older than the very young woman Mary growing

still was). The singing was dry on the first night but will improve. The seduction scene apart doubt grow warmer at later performances. The careful attention (in itself a virtue) was ridiculous. There is not much a little beadiness for a musical relief in this act. Earlier, in the second act especially, Miss spoken with a weird mixture of



Catherine Wilson as Mary Queen of Scots

Musgrave had shown her due respect and thoroughly professional command of that *lingua franca* of modern opera which hovers between Britten and Henze, with backward glances to Walton and even Strauss. At her best, she can make conventional things like a pair of *cors anglais* intoning chorale themes or winding themselves round the vocal line, sound fresh. Other inventions, like a poor bell scene and a two-note ostinato on the harp that goes straight back to Pelléas, are tired coinage. The scoring is consistently effective. Miss Musgrave thinks instrumentally, and herself conducts with a competence that draws an excellent result from soloist, chorus, and from the Scottish Chamber Orchestra.

The title-role has been made for Catherine Wilson, an artist who is incapable of a superficial or unconsidered portrait. Miss Wilson looks extremely handsome in Alex Reid's becoming costume (but the chalk-white make-up, though it may be accurate, makes her seem older than the very young woman Mary growing



A scene from 'Heart of Glass'

## Hadium Coppélia

and in Roland Petit's *Coppélia* for his Ballets de l'Opéra de Paris. The ballet is a masterpiece of the very best of which we associate with the ballet: elegance, lightness, touch of spirit, of foot, indefinable stylisation that is not wondrously more in its lack of chic, a hearted enjoyment of the art in hand. The young Ganyo's tremendously and joyously acted Franz is such a dash (and such an buoyant execution) that he is not wondrously more in his lack of chic, a hearted enjoyment of the art in hand. The young Ganyo's tremendously and joyously acted Franz is such a dash (and such an buoyant execution) that he is not wondrously more in his lack of chic, a hearted enjoyment of the art in hand.

## Queen's The Old Country

by B. A. YOUNG

Hilary—Alec Guinness, with sparse grey hair over a lined, spirited face—has lived in Russia for 14 years, since he skipped to avoid the consequences of passing Foreign Office secrets to agents in a series of squalid meetings in the outer suburbs. He does well enough as a translator to afford a dacha for the summer as well as an apartment in Moscow, but his heart is in Bettman's England, with Lyons teashops and the leading library at the Army and Navy and the Church of England before the reformers got busy with it.

His wife Bron (Rachel Kempson) skipped with him and he has two English neighbours, a former draughtsman at Devonport and his wife, who were too slow about skipping and went to go on until they were swopped for someone in a Russian gang whom the British Government wanted back. Bron is patient with these two, but Hilary, who maintains his all-English snobbery in spite of circumstances, finds them hard to take.

Alan Bennett, in whose new play these characters appear, keeps their situation a secret almost through the whole of his first act. Hilary, who talks in-

cessantly though seldom as part of a conversation with more than one person in it, drops hints that he is not in Scotland (which prompts an imitation of Buchanan or Pirbright in Aldershot or Pirbright, who extemporises a Times obit for a character long since dead. These passages are brilliantly written and brilliantly delivered, but they do not advance the play. The first act, even after the arrival of Hilary's sister Veronica (Faith Brook) and her newly knighted husband Duff (John Phillips) has to rely for its progress only on the revelations of Hilary's past and his present whereabouts. Even with all that, the conversation going on in the play is not so interestingly assorted as to make their presence reveal that he has come with a proposal to repatriate Hilary.

Yet the temperature stays whether he likes it or not. A hint of sub-plot appears when Eric (Bruce Boud) recalls that he once picked him up in the simple phrase "Treat jostles Duff on Wednesday night, and despite John Ganters' sparse but with such weak insistence as to be honestly set, I felt that I should be capable of that he and his wife Olga (Heather Canning) as well by radio. Perhaps Mr. Bennett bits the mark with one of his own lines: "Don't take away his style, or there'll be no content left."

## Albert Hall/Radio 3

### For Britten by DOMINIC GILL

Wednesday's Prom, given variously by the English Chamber Orchestra, the BBC Singers, and by members of the Amadeus Quartet with Clifford Curzon, was conceived as a tribute to "For Beethoven's 200th Anniversary" without elaboration, or over-emphasis, in the simplest manner—a programme which included two Britten works, entwined with one of Britten's chief loves, the music of Schubert.

In the first half of the evening we heard Schubert's lovely *String Quintet*, played with spirit by the ECO; and Schubert's 24-year-old master, represented by his lovely setting for male voices and low strings of Goethe's *Gesang der Geister über den Wassern*. And between times, a neat, pretty performance by the BBC Singers under John Pople of Britten's *Hymn to St. Cecilia*, gentle prelude to *Les Illuminations*.

*Les Illuminations*, Britten's setting for tenor or soprano voice with string orchestra of eight Rimbaud prose-poems, finished in America in 1939, is less hardly known here, and a masterpiece, perhaps one of his most perfect achievements, years after it was first staged. The Christopher Moseley and it is also one of that difficult translation is by John Mortimer, designs are by Michael Ansl.

### Feydeau's 'Lady from Maxim's' for Lyttelton

The *Lady from Maxim's* by Georges Feydeau is to be the A Flea in Her Ear for the NT in National Theatre's next production. The cast for *The Lady from Maxim's* includes Michael Bryant, Edward Hardwicke, Joan Hickson, Marg Wood, and a Restelman. Stephen Moore, a Trout Normington. The director is the Christopher Moseley and it is also one of that difficult translation is by John Mortimer, designs are by Michael Ansl.



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ERLAND, BONYNGE INTERNATIONAL CAST THE DIFFERENT OPERAS OVER, CANADA October 22-October 22 Section—Page IV

EUROPEAN NEWS

Explosions destroy Portuguese land files

By Our Own Correspondent LISBON, Sept. 8. THE LISBON headquarters of five regional centres of the Land Reform Offices were severely damaged by bomb explosions early this morning...

The first attack was made with a 5 lb plastic explosive charge at the headquarters of the Land Reform Office in the district of Santarem...

The destroyed archives contained records of co-operative farms, Soviet-style collectives, land reserve areas, land leasing contracts, expropriated property and current accounts...

Classes have taken place recently between rural workers and police in Atejejo when government officials were marking areas to be returned to their former owners under the new Agrarian Reform Bill...

In Beja, the capital of southern Alentejo, where the Land Reform Office was completely gutted, officials said that it would take at least a year to replace the files...

Esso Italiana denies currency allegations

By Paul Betts ROME, Sept. 8. ESSO ITALIANA, the Italian subsidiary of the U.S. oil group, said today it has been notified by the official Italian foreign exchange office of allegations of irregularities in currency dealings...

Tara Mines to lay off workers and shut down

By Giles Merritt DUBLIN, Sept. 8. TARA Mines, which in mid-June began exploitation of the largest lead-zinc deposit in Europe, north-west of Dublin at Navan, north-west of Dublin...

South Moluccans riot

Young South Moluccans rioted in Assen yesterday, setting fire to buildings and shooting at firemen and police. Dutch officials said UPI reports a policeman was hospitalized for an emergency operation after he was shot in the stomach...

NORWAY'S GENERAL ELECTIONS

Keeping the temperature at lukewarm

PARLIAMENTARY ELECTIONS in Norway Monday will decide whether the minority Labour Government stays in office or is replaced by a non-socialist coalition. Opinion polls indicate that voters are divided about 50:50 between the socialist and non-socialist camps...

The prolonged world recession, making itself increasingly felt even in prosperous Scandinavia, has provided ammunition for both sides. Labour politicians have claimed that only a Labour Government can be trusted to give top priority to maintaining the full employment...

W. German second quarter GNP growth only 0.5%

BY ADRIAN DICKS

CONCLUSIVE evidence of the slowing of the West German economy, if any were still needed, was provided today by the president of the Bundesbank, Dr. Otmar Emminger...

Speaking at the close of the customary annual meeting of the Central Bank council in West Berlin, Dr. Emminger also said that the Federal Government's goal of a 4.5 per cent rate of growth for the year 1978 was a "realistic" one...

By this, Dr. Emminger clearly meant the more moderate rate of wage increase for which the Bundesbank has consistently advocated this year...

Referring to the package of stimulatory measures which the Government has consistently announced officially each week, in support of the sought 4.5 per cent growth rate in 1978...

and decrease the trade deficit (at \$2.07bn. in the same period, 74 per cent higher). Specific measures include a ban on "luxury" car imports and limitations on the importation of other categories of cars...

Turkey unveils austerity moves

BY METIN MUNIR

THE TURKISH Government today announced the principles and some details of its long-awaited programme of austerity measures designed to cope with an acute economic crisis...

EEC strategy on textiles

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

THE EUROPEAN Commission today said it intends to approach the forthcoming bilateral negotiations with textile-exporting countries, aimed at regulating their shipments to the EEC, along lines broadly similar to those which it adopted at the recent talks in Geneva...

Polish wage strike

About 3,000 workers staged a three-day strike last month at a textile factory near Lodz when the management cut their wages in half...

Unpatriotic

Subjects of the revelations and allegations have ranged from Norwegian espionage against Russia in the 1950s to allegations that the secret services keeps 616 on Norwegian left-wingers...

Prohibited

The list of these most prohibited topics is long. It includes the proposed agreement with Russia to regulate fisheries in disputed northern waters (Government decision postponed until after the election)...

Rows erode confidence in French Left

By Robert Mauthner

PARIS, Sept. 8. FRANCE'S UNION of the Left, comprising the Socialists, Communists and Left-wing Radical parties, has retained its substantial lead in the public opinion polls despite bitter internal quarrels...

The poll, published in the today's morning paper, Le Figaro, demonstrates the impact on public opinion of the squabbles of the past few weeks. Although 53 per cent of a national sample of 1,000 questioned between September 1 and 3 intend to vote for the Left at the general election...

Reactions to the three tax cuts agreed yesterday suggest that there may be a tough parliamentary battle ahead for the coalition government in the Bundestag...

and decrease the trade deficit (at \$2.07bn. in the same period, 74 per cent higher). Specific measures include a ban on "luxury" car imports and limitations on the importation of other categories of cars...

Go-ahead given for Pakistan nuclear deal

By Our Own Correspondent

PARIS, Sept. 8. FRANCE TODAY confirmed that it would carry out its contract for the supply of a nuclear fuel reprocessing plant to Pakistan in spite of U.S. pressure to cancel it...

U.S. study on South Korea strategy

WASHINGTON, Sept. 8. A SECRET defence study paper says that even with U.S. forces out of Korea, the U.S. has the capability to capture the South Korean capital of Seoul in a sudden attack...

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WOOD AND LEISURE LAND

6 HALF MOON ST., LONDON W14 7RA Tel: 01-629 2731 (24 HOUR SERVICE) NAME ADDRESS

A big boost for Canada is in the pipeline

By Robert Mauthner

THE LARGEST single private project represents a remarkable victory for its principal architect, Mr. Robert Blair, the provincial president and chief executive of Alberta Gas Trunk Line, a Calgary-based company...

The Alcan route is considerably longer than the other proposed proposal, the Arctic Gas pipeline, but instead of Westcoast Transmission, which operates British Columbia's pipeline network, and North-West Energy of the U.S., have the formula task of raising the necessary funds for the project...

Clearly lacking adequate sources to gate the huge financial backing of their companies may well themselves coming under umbrella of U.S. government guarantees on the project...

Finally, although the route is unquestionably attractive environmentally, it does not mean there will be no major upheavals for the people of the north. With that in mind, the Canadian Government has agreed to share the cost of the longer spur that will now be required. There is no indication that it is unlikely that the spur will appear as early as Canada might have liked...

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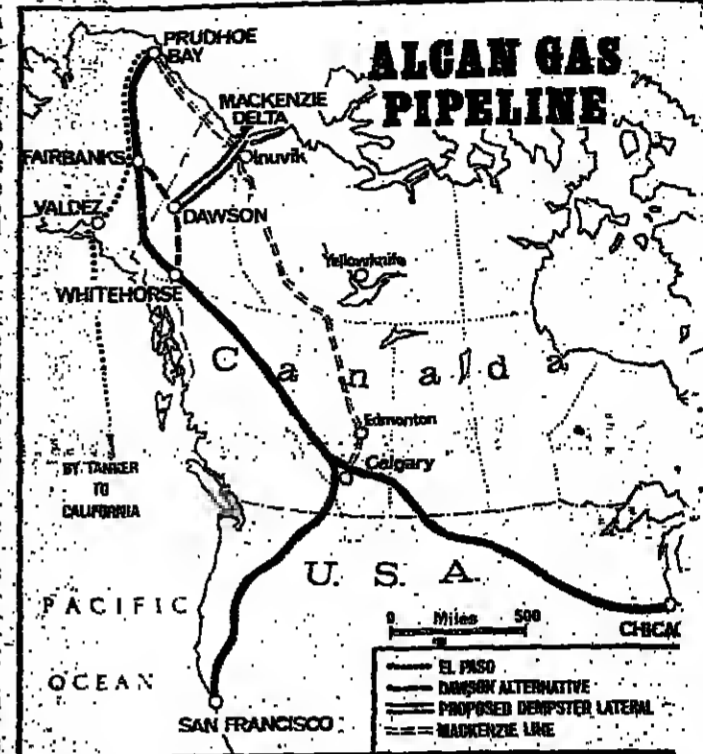
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consideration is being given to starting the southern sections of the pipeline as soon as possible to connect up with the existing Alcan gas-gathering network. This will allow the considerable reserves of natural gas newly discovered in Alberta to be shipped to the U.S. earlier than had previously been expected. It means that when the Alaskan gas finally comes on stream, it can go into the Alberta market under a swap arrangement...

One of the biggest uncertainties surrounding the line, however, remains financing. The date of the pipeline's completion produced included Alaskan gas-gathering into the economy through the kind of social disruption that comes when thousands of construction workers from the north crowd into small local communities. Social diseases spread in the north. With that in mind, the Canadian Government has agreed to share the cost of the longer spur that will now be required. There is no indication that it is unlikely that the spur will appear as early as Canada might have liked...

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NAME ADDRESS

July 1977

# Press and politicians increase pressure for Lance to quit

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, Sept. 8

AS A KEY Senate committee opened its investigations into the financial affairs of Mr. Bert Lance this morning, the two most influential newspapers in Washington called on the Budget Director to resign.

The Washington Post, which only yesterday had run a much more equivocal editorial on the Lance affair, said this morning that the only question now was not should the Budget Director go, but when.

Noting the potential cost to President Carter, the paper said, "having laid great emphasis on his administration's ethical standards, Mr. Carter cannot now carry on a prolonged defence of Mr. Lance without suffering great erosion of his own public standing. Mr. Carter is a stubborn man and perhaps he does not fully see that truth is the duty of his friends—and first of all his close friend Bert Lance—to tell him."

The New York Times took a more dismissive line—"for the President to ask for Mr. Lance's resignation is not, finally, to surrender to a lynch-mob injustice but to demonstrate an understanding and mastery of the rough and tumble of national politics. The most important issue is

not Mr. Lance's probity as a banker, but Mr. Carter's sagacity as a politician."

Any number of nationally prominent politicians is now, with varying degrees of insistence, impressing similar arguments on the President. Senator Robert Byrd, the Democratic majority leader, noted last night that Mr. Lance's ability to continue to be an effective director of the budget was now seriously "impaired."

The White House, now much more modest in its defence of Mr. Lance than hitherto, still seems inclined to let him have his day in court before the Senate committee next Thursday. But now, the feeling is not that Mr. Lance will vindicate himself at that time, but rather say give himself enough rope to commit political suicide.

If the early questioning today of Mr. John Heimann, the Comptroller of the Currency, is anything to go by, then Mr. Lance will have a tough time defending his conduct as a banker in Georgia. Mr. Heimann told the committee that a special Internal Revenue Service investigation into contacts between Mr. Lance and the Comptroller's office in Atlanta, Georgia, was not yet complete.

# Banking on isolating the Georgia affair

BY JOHN WYLES IN NEW YORK



Mr. Bert Lance

PRESIDENT CARTER may still be hesitating, but the American banking community has been in no doubt over the past week of its need to disown Mr. Bert Lance and his controversial conduct when he was a leading light of Georgian banking.

"We have had scores of bankers from all over the country in touch with us, saying that the practices attributed to Bert Lance must not be considered national or widespread," said an anonymous spokesman for the American Bankers Association (ABA) yesterday.

The industry's concern is understandable for the Comptroller of the Currency's recent report on Mr. Lance's activities as head of the Calhoun First National Bank and then as President of the National Bank of Georgia, provide much red meat for the numbers of Congressmen who are always ready to call to the nation's store of laws and regulations.

A House of Representatives banking subcommittee got off to work with hearings this week into questions raised by the Lance affair, with the time already struck by some hard-line statements on the need for greater regulation from its chairman, Ferdinand J. St. Germain, a Democrat from Rhode Island.

Congress could use as its vehicle to tighten regulations a bill passed by the Senate in August which is designed to give the federal authorities a much more sophisticated array of powers to deal with infringements of bank regulations than

currently available. Conceived long before Mr. Lance was even a potential Budget Director, the bill has the full support of the ABA as a necessary strengthening of the federal authority, whose choice of weapons at the moment is largely limited to the limp verbal rebuke or the judge's hammer of clashing down a guilty bank.

As it stands, the Financial Institutions Supervisory Bill would in future enable the authorities to issue cease and desist orders, against a bank or its individual officers, to remove officers who had acted improperly and to impose fines on individual officers. The ABA report on Mr. Lance's activities would serve to ensure compliance with existing banking regulations which, claims the ABA, are already so encyclopaedic that Congress would be well advised to make an audit before considering yet more additions.

However, there can be escape from the fact that the Comptroller of the Currency—who shares regulatory authority over banking with the Federal Reserve Board and the Federal Deposit Insurance Corporation—has left the door ajar for further regulation when he concluded that Mr. Lance's "recurring pattern of shifting bank relationships and personal borrowing needs raises unresolved questions as to what constitutes acceptable banking practice."

More succinctly, Mr. Lance's behaviour may not, in the comptroller's

view, be strictly illegal, but in the future perhaps it ought to be.

Above all, the debate is focusing now on the system of correspondent relationships between small banks, such as Mr. Lance's National Bank of Georgia, and the much larger banks of New York and the Midwest which dominate the American banking scene. The purpose of such relationships is to enable the smaller bank to enjoy the services of its larger brethren in such matters as advice, participation in transactions, and the clearing of cheques.

The usual practice is for the smaller bank to maintain an agreed interest-free deposit with the larger, which the latter usually invests in its own advance and in return for which it makes no charge for services performed. As an ABA survey in 1976 revealed, offers of personal loans are made to officials of a correspondent bank as a matter of routine and we now know that Mr. Lance made use of the facility to borrow \$2.6m. from the Manufacturers Hanover Trust Bank of New York, a correspondent bank with his own, and later \$3.5m. from the latter National Bank of Chicago shortly after it received a correspondent account from the National Bank of Georgia.

The Manufacturers Hanover loan was made to buy stock in the National Bank of Georgia and the Chicago Bank borrowing to repay the earlier loan. Under existing regulations, it is illegal for such a loan to be a quid pro quo for a correspondent account and there is no clear indication that they were so in Mr. Lance's case.

However, there is a widespread suspicion that a proportion of loans to officers of correspondent banks may be made on an informal, pro quo basis, which is why the several hundred cases referred by the comptroller's office to the Justice Department in recent years have yielded only three convictions. The ABA argues that many of these loans are for stock purchases such as Mr. Lance made and that without them the capital would not be available and consequently ownership of many small banks would quickly pass out of local hands.

However, these insights into correspondent banking seem to lack of preferential treatment for bankers when coupled with the Comptroller's latest revelations about the personal loans secured between 1963 and 1975 by Mr. Lance and his wife from another Georgia Bank, at which the Calhoun First National Bank had a correspondent account.

In the surface, risks do seem to be inherent in existing procedures. For example, might not a bank official who goes heavily into debt to purchase his own bank's stock be tempted to run the bank's affairs in order to increase his dividends to help meet his debt repayments?

The industry and its defenders claim that bankers as a whole have far too strong a sense of their fiduciary responsibilities to put their banks' business at risk and that their ethics are of the very highest order.

Some will concede, however, that smaller banks—they are usually said to be in the South—may be a little less than scrupulous in their attitudes to such matters as levels of overdraft maintained by officers and members of their family. The Comptroller's report disclosed the when Mr. Lance was at Calhoun his overdraft rose as high as \$110,000 and the total for nine relatives ranged between \$200,000 and \$450,000. These are greater amounts than appear to be allowed by federal regulation governing the amount of money that bank officers can borrow from their own institutions.

What puzzles some people is that here, as in other aspects of the Lance affair, federal regulations exist which would appear to cover some of the practices reported, yet clearly the case is not thought strong enough to bring to law.

## Regulations

But it is certainly strong enough for Mr. St. Germain and Senator William Proxmire, Chairman of the Senate Banking Committee, to be talking of a new set of regulations. Representative St. Germain has said he is considering legislation that would prohibit big banks from making loans to officers of smaller correspondent banks.

This prospect saddens some and horrifies other members of the banking industry and if it comes about it will be largely because the industry could not establish that Bert Lance was an isolated case. He almost certainly is not unique. One Texan banker may have been giving away more than he thought when he commented recently: "It appears to me that he used his own banks for his own benefit more than you'd expect most bankers to do."

# Mrs. Thatcher demolishes the 'four fallacies'

BY JOHN WYLES NEW YORK, Sept. 8

MRS. MARGARET THATCHER, leader of the Opposition in Britain, today berated a new wave in British politics to which the dominant post-war fallacies were being bandied in favour of a more realistic approach based on competition and individual effort and enterprise.

Delivering the first public speech of her week-long visit to the U.S., Mrs. Thatcher gave an account of a British conversion values which many Americans hold sacred. This was early welcome to the British-American Chamber of Commerce lunch which she was addressing.

Mrs. Thatcher's message, familiar to the British ear, was that the "post-socialist period" as about to begin in British politics, and that its arrival was being marked by the abandonment of four fallacies which dominated post-war thinking.

The first, that prosperity comes from government bureaucracy and controls, was giving way to the reality, "that resources are scarce and can be increased only by incentives for effort, investment and efficiency."

Fallacy two, that people prefer services provided by government to keep more of their own wages, was being replaced, she said, by the reality, that higher taxation to finance public expenditure "is resented by wage-earners who demand heavy wage increases to offset rising levels of real taxation."

Fallacy three was that wealth could be redistributed by increasing present taxes and inventing new ones, whereas the reality was that "wealth is created by thrift, enterprise and effort of free individuals working to improve their families' future."

The fourth fallacy, said Mrs. Thatcher, was that workers and consumers would gain from nationalised monopolies controlling the means of production, distribution and exchange, while the reality was that "progress depends on competitive enterprise conducted by people with a stake in its success."

# Canal treaty opposed

BY OUR OWN CORRESPONDENT WASHINGTON, Sept. 8

THE OPPOSITION to ratification of the Panama Canal treaties, which had been overshadowed by the extravaganza of the formal signing ceremonies last night, placed again with a vengeance in the person of Mr. Ronald Reagan.

In testimony before Congress, Reagan, the former Governor of California and leading conservative spokesman, argued that ratification in terms which can only have disappointed the Carter administration, which had hoped he would more recent.

The guts of Mr. Reagan's arguments were that the U.S. negotiators' brief contained "a fatal flaw—they proceeded from a false premise, that we can export a use, impartial, trouble-free, future by relinquishing the rights we acquired in the treaty."

Having maintained at great length that, on constitutional grounds, Congress must be enabled to back up ratification by the administration new realism in relations between the U.S. and its southern neighbours.

It is far too early to say whether this exercise will be successful, even if Latin American leaders agree with Carter's premise that renegotiating the status of the Panama Canal was of symbolic significance. The notable absence from Washington of President Lopez Portillo of Mexico, who has been heavily courted by Mr. Carter, is an indication that the contention is not unanimously conceded.

# Talks resume on contract for dockers

A week-long impasse was broken as talks resumed today on a new contract for the dockers' contract before the end of this month, when the current contract expires. AP-DJ reports from New York. If terms are not agreed by then, a strike could be the major port from Maine to Texas, involving about 50,000 seamen of the International Association of Shipmen's Association.

There was no official explanation of how the six-port North Atlantic crown of employer associations had been able to mend so that bargaining, halted August 18, could proceed. The employers had divided over insistence by Mr. Thomas, President of the I.A., on a guaranteed annual income, but a new eighth point, master contract bargaining,

# Civil servants' pay strike in Dominica

The Government of Dominica, a British Associated State in the Caribbean, has said that it is unable to pay its civil servants the \$24.2m. (£900,000) owing them in back pay, writes Tony Green in Barbados. Mr. Patrick John, the island's Prime Minister, said that his Government had tried to raise the money to pay the civil servants who have been on strike over the issue since Monday. The dispute is over wages for the period January 1974 to June 1976, following wage negotiations between the two sides which ended in July 1974. The Government has offered to make the payments in the form of debenture bonds redeemable in 10 years. The Civil Service Association has suggested the non-deduction of income tax from their members until the back pay is cleared. Neither idea has found favour, however, with the opposing sides.

1935-1937 SS Jaguar 2½ litre.

1938-1949. Jaguar 2½-3½ litre.

1950-1956. Jaguar Mk. II.

1961-1966. Jaguar Mk. X.

1966-1968. Jaguar 420.

1968-1973. Jaguar XJ6.

1973- Jaguar XJ Series 2.

1975- Jaguar XJS.

## In a world of changing values, a Jaguar is still a Jaguar.



From Leyland Cars. With Supercare.

OVERSEAS NEWS

Sharon reveals secret West Bank settlements

BY DAVID LENNON
Several new settlements have been established surreptitiously on the occupied West Bank in the past month, according to Mr. Ariel Sharon, Israel's Minister of Agriculture.

Zia takes wide powers of inquiry

ISLAMABAD, Sept. 8. GEN. ZIA-UL-HAQ, the military ruler of Pakistan, has taken wide-ranging powers to order inquiries into any matter considered of public importance.

Rhodesia ceasefire talks will go ahead-Young

WASHINGTON, Sept. 8. The Anglo-American plan requires Mr. Smith to surrender power to a British-appointed resident commissioner during a short transitional period leading to majority rule and legal independence by the end of next year.

Swapo safe conduct plan

JOHANNESBURG, Sept. 8. MR. SAM NUJOMA, the exiled president of the South West Africa People's Organisation, and other leaders of Swapo's external wing will be allowed to return to Namibia to discuss arrangements for pre-independence elections there.

Lebanon's bourse gets back to business

By Ihsan Hijazi
BEIRUT, Sept. 8. THE REOPENING of the Beirut stock exchange this week gave a badly needed boost to the morale of the Lebanese economy which has stagnated since the civil war ended.

U.K. in Japan pollution control

BY DOUGLAS RAMSEY
TOKYO, Sept. 8. BRITAIN stands to win substantial orders from Japanese industry for anti-pollution equipment to judge from the success of the U.K. Environmental Engineering Exhibition which ends on Saturday.

U.S. backing for Babcock breakthrough in energy

BY ROY HODSON
THE BRITISH power company Babcock and Wilcox claimed yesterday it has established a world lead in the energy market by winning a contract to design four revolutionary coal-burning boilers for the State of Ohio, U.S.

S. Korea conference

Protectionism in industrial countries, rather than the lack of foreign finance, is the main threat to the further economic growth of South Korea. This sentiment emerged from the first day of a Financial Times Conference in Seoul, Details, Page 31.

Algerian plant

C. Itoh and Kawasaki Heavy Industries will export a man-made filament weaving and processing plant valued at \$1.4 billion to Algeria.

Glass agreement

Asahi Glass of Japan has concluded a \$800m. (\$2.2m.) agreement to provide a 'Baoussis of France' with a technological know-how to produce laminated safety glass to be used for automobiles.

Soviet oil loading

Nigata Engineering and Tokyo Boeki, both of Japan, have signed a \$3.3bn. (\$13.3m.) contract to provide the Soviet Union with a loading system for oil tankers.

ICI plans to treble sales to Russia

By Kevin Dons, Chemicals Correspondent
IMPERIAL CHEMICALS Industries is hoping to open an office in Moscow as part of a renewed sales campaign aimed at trebling its sales to the USSR by the end of 1980.

Methanol

ICI's most significant recent involvement with the USSR came with agreement to enter a compensation trading deal under which the contract to build two giant methanol plants in Russia was awarded to a British company, Davy Powergas.

Swedish dispute on wood prices

BY WILLIAM DUFFORCE
STOCKHOLM, Sept. 7. THE SWEDISH pulp mills, which have been forced to break their price front and lower their export prices this year, are now in receipt of the domestic pulp wood suppliers.

ASEAN a special case in the U.S.

MANILA, Sept. 8. THE U.S. Government promises to give 'special attention' to the flow of Association of South-east Asian Nations (ASEAN) products to the U.S. market but made no commitment to support a commodity stabilisation plan sought by ASEAN.

Canadians arrive for talks in London

BY JOHN GRIFFITHS
A TEAM of senior Ministers and officials from Canada's Pacific coast province of British Columbia, led by Provincial Premier William Bennett, arrives in London today for two weeks of economic and financial discussions with the U.K. and its principal EEC partners.

Britain bids for \$330m. contract

BY ROBERT DEL QUIARO, RECENTLY IN LIMA
A CONSORTIUM of Metro Cammell, British Rail and London Transport has made a bid to provide Peru with a \$330m. package of transport equipment and technical assistance.

Attempts by Ethiopia's military council to eradicate the Marxist-Leninists appear to have provoked killings. James Buxton reports.

Life and death at the top

A NEW round of internecine killing appears to be getting under way in Ethiopia as the military council seeks to reduce the influence of the Marxist-Leninist group Meiso from which it has got most of its ideology over the past two years.

Abandoned

Their rural counterparts, the peasant associations, have made immense gains from land reform which has totally swept away landlords and given farmers enormous power.

Eliminate

Last winter both the Derg and Meiso fought to eliminate the EPRP cadres: the EPRP struck back, bribed its members, thousands of political activists, many people totally unconnected with politics, and not a few victims of personal vendettas.

Transport for Peru

The consortium has included in these prices 200 double-deck carriages, which would give the system a capacity of 18-20,000 passengers per hour.

Divided

Meiso, with 3,000 to 5,000 cadres all over the country, but predominantly in the Oromo or Galla provinces, posed the threat of a civilian alternative to the military, and the Soviet are believed to have impressed on Col Mengistu during his visit to Moscow in May the need for a 'reasonable broad' group of military, bureaucratic and political activists.

Various vertical text elements on the right margin, including 'decision \$10m. p', 'link problem', 'new engine', and 'will differ'.

# Datsun's Sunny and Cherry hit top ten

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

JAPANESE cars, the market-proved to be the 18 months of 1976 to 46,400 this year. The Italian company's performance is one of the main reasons for the rise in the market share of vehicles deriving from other Common Market countries this year. It rose to 30.5 per cent. from about 23.5 per cent. last year.

U.K. CAR REGISTRATIONS		August		8 months ended August	
	1977	1976	%	1977	1976
all	50,631	54,061	25.75	241,370	257,430
British	36,303	37,833	20.82	241,571	242,017
Continental	11,983	14,849	8.17	90,216	90,787
Imports	98,635	108,205	59.55	57,488	57,488
of which	16,917	17,236	6.44	55.51	55.51
from Europe	11,924	12,726	5.51	59,764	59,764
from elsewhere	9,462	9,016	4.96	46,403	46,403
from the EEC	7,734	6,412	3.33	41,808	41,808
from other countries	101,310	69,785	38.41	32,591	31,109
from the EEC	200,310	181,488	100.00	427,470	444,499
from other countries				960,915	934,164

First time, the two Datsun took the number seven and eight spots. They were just ahead of more imports, the Vauxhall Cavalier and the Ford Capri, are both made in the Continental plants of the two multinational companies. Datsun, with sales of 59,764 cars already this year, and a market share of 6.22 per cent, will have to cut back radically in the last few months of the year to hold down to the Anglo-Japanese understanding on limiting market shares to the same figure as last year.

# Two MPs seek car import controls

TWO LABOUR MPs called for selective import controls on cars yesterday in the wake of last month's figures which showed that sales of foreign cars exceeded those of home-produced models.

Mr. Doug Hoyle (Nelson and Colne), is to press Mr. Edmund Dell, the Trade Secretary, for action to curb importers and stop British manufacturers importing from their factories in Europe.

Mr. Martin Flannery (Hillsborough, Sheffield), said that the fact that over half the cars now sold in Britain were foreign "is disgraceful". He went on: "Has the Common Market got a stranglehold on the British economy? When will the Government introduce import controls as is the wish of the Trades Union Congress in full session?"

# Gross income up 17 1/4% last year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROSS income of the U.K. rose by 17 1/4 per cent. last year to £110.2bn., or about £1,970 per head of population. This is disclosed in the National Income and Expenditure book for 1977 published this morning by the Central Statistical Office.

Most of the increase in gross income (gross national product) in 1976 was the result of higher pay and prices. The real output of goods and services rose by only 2 per cent. There was a slight drop in the share of employment in income, mostly wages and salaries. In total domestic income (after stock appreciation) in 1976, the figure was 73 per cent. compared with the record 74 per cent. in 1975 and an average in the previous decade of just under 70 per cent.

The share taken by company profits (after deducting stock appreciation) was about 61 per cent., a small increase on the 1975 share of 60 per cent., but still well below the 11 per cent. Total personal incomes rose by 15.5 per cent. last year with payments of direct taxes up by 16.6 per cent. and national insurance contributions 23.3 per cent. Consequently personal disposable income was 15 per cent. higher than in real terms.

Within the personal sector, the rate of increase in wages and salaries declined—up 13.3 per cent. in 1976 compared with 29.3 per cent. in the previous year. However, current grants from Government continued to rise rapidly—up 25.7 per cent. last year and by 29.6 per cent. in 1975—and were by far the fastest growing part of personal income in 1976.

The increased consumption of household durables has been sustained by falling relative prices so that in value terms there has been little change to its share of all expenditure.

Similarly, buying and running motor vehicles has become a more important—but not more expensive—item of consumers' expenditure over the period. The shares of general Government expenditure taken up by various categories of spending and the changes between 1966 and 1976 are also shown. The main feature is the decline from 15.2 to 10.8 per cent. in the proportion of spending devoted to defence and local government, and the increase from 17.8 to 19.2 per cent. in the share of education rose from 11.8 to 12.5 per cent. while the proportion spent on housing

# Crucial decision for airline's £10m. plan

MICHAEL DONNE, AEROSPACE CORRESPONDENT

ISH ISLAND Airways, a joint venture of the British and Commonwealth Shipping group, plans to invest up to £10m. in new aircraft for its major new route from Gatwick to Hamburg. This is in line with Government policy to promote the use of modernisation programme — to turbo-prop Part Herald handling 15m. passengers a year instead of the present 6m. BIA's bid is being opposed by British Airways, which already flies to these overseas destinations from Gatwick, but not to Hamburg and Dublin. The public hearing by the Authority is set for Tuesday in London. BIA says that if it is given permission to fly the new routes, it will buy a small fleet of new aircraft, either Fokker F-28 jets, which it prefers, or McDonnell Douglas DC-9s if F-28s are not available.

# Industry accused of ignoring drink problem

CHRISTOPHER DUNN

TRY IN Warwickshire to acknowledge it has an alcohol problem, according to a report by the Health Research Council on Alcoholism. The smooth running of companies could be affected by liver than people in any other industry, said Mr. David Keiser, chairman of the Council on Alcoholism. The problems suffered by managers are similar to those occurring at board room level, medical adviser of one of the great companies in the country he said he had not seen with the problem. I want to tell him that at that moment we had five members of his staff on our books, helped over their lives.

# Rolls-Royce sees export market for new engine

MICHAEL DONNE, DEFENCE CORRESPONDENT

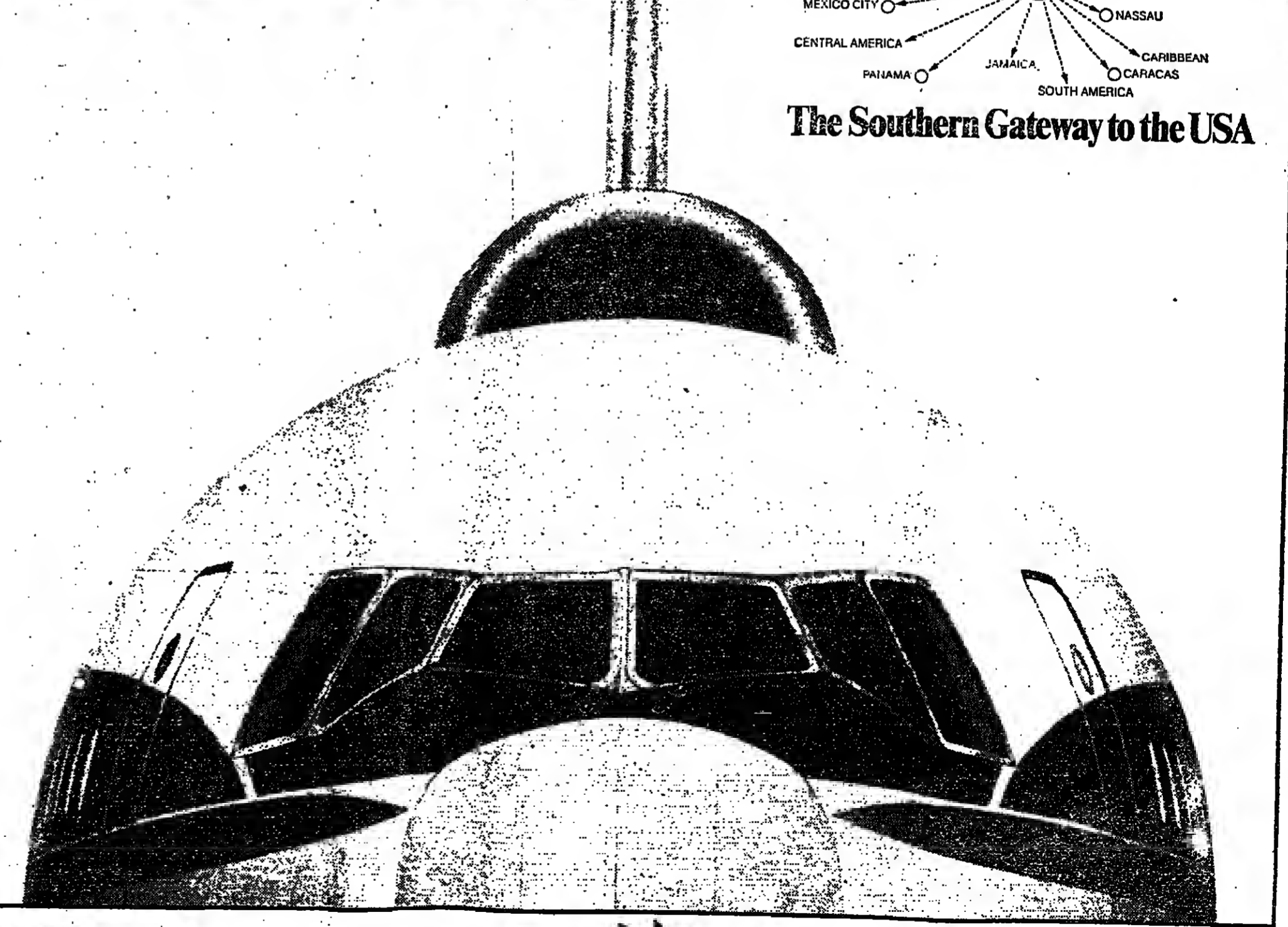
ROLLS-ROYCE, in conjunction with the Ministry of Defence, is developing a new marine gas-turbine engine, the SM1-A, for ships of up to 1,000 tons. The company is under development programme which would be completed by 1982 when the SM1-A engine would be available for operation. Its existing marine engine, Olympus and the Olympus marine engine, 5,340 bhp Tyne marine and industrial engines already in use in 49 countries, including 22 navies.

# ITV ratings still differ

ARTHUR SANDLES

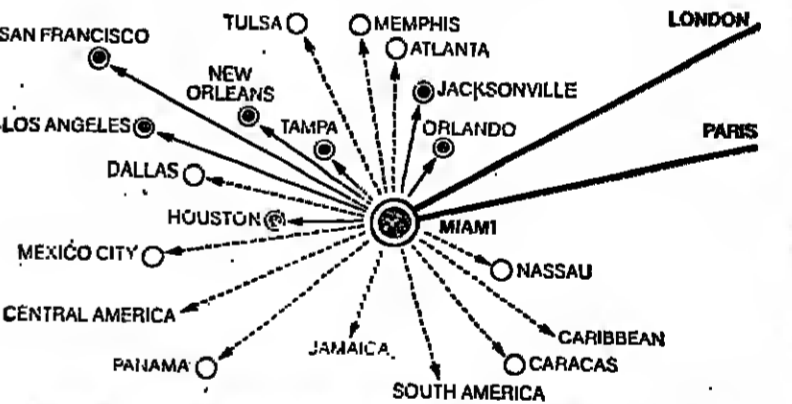
INDEPENDENT Television's About the House, with 14.7m. viewers, instead of the number of viewers. The ITV ratings put the Sweeney third with 14.20m. viewers. It seems to have altered viewers and suggest that no BBC programme was placed in the BBC over audience first five. Jettar shows a September audience share of 5.9 per cent. for ITV, 36 per cent. for BBC1 and 9 per cent. for BBC2. The BBC suggests that the figures were 62 per cent. for the BBC, and 48 per cent. for ITV. The Annon Committee on the Future of Broadcasting proposed that the two organisations should use shared research.

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HOME NEWS

Wedgwood Benn calls for proper use of resources

Energy reserves worth £500bn.

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITAIN'S ENERGY reserves—coal, oil, gas and uranium—are worth about £500bn, according to latest Government estimates...

More Home News Pages 12, 26, 31

of its gold and dollar reserves... Confirming his position as head of the Government's "good news" department, Mr. Benn outlined the country's energy bank: coal—£100bn, worth of reserves; natural gas—£100bn; uranium (depending on its use)—£100bn.



Mr. Anthony Wedgwood Benn, Energy Secretary (left), is shown a converter which enables any type of engine to run on methane gas, by its inventor, Mr. Harold Eate.

Apparently it could be some weeks before the Department is satisfied that BP plans to exploit the field to its full potential. Even then only an interim sanction may be given. This will be reviewed when the oil group has gained more knowledge of the reservoir.

U.K. has payments surplus of £910m.

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN HAD a surplus of £910m, on current and capital accounts during the second quarter, compared with a deficit of £1,910m. in the first three months of the year...

Table with columns for 1976 3rd qtr, 1976 4th qtr, 1977 1st qtr, 1977 2nd qtr. Rows include Current Account, Official Financing, and Balance for Official Financing.

£800m. in the third and fourth quarters last year. This reflects a sharp fall in net earnings from interest, profit and dividends. In 1975, the net surplus averaged £300m. in the first three months of the year and to around £42m. in the second quarter.

Mother's plea to playgroups

PLAYGROUPS in socially-deprived inner city areas should become places where hard-pressed mothers can relax and find temporary relief from the full-time care of their children, says a report published today by the National Children's Bureau.

Treasury confirms policy of shift to indirect taxes

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GOVERNMENT'S commitment to a continued shift to the tax balance from direct to indirect tax, thus improving tax revenue pay, is stressed in a new Treasury analysis published this morning.

Big increase in Post Office complaints

BY JOHN LLOYD, INDUSTRIAL STAFF

COMPLAINTS AGAINST the Post Office have almost doubled since last year—from 4,600 in 1975-76 to 8,786 in 1976-77.

LABOUR PRESENTS 'GRAND DESIGN' ... State-bucket bodies for the arts

BY RUPERT CORNWELL

THE LABOUR PARTY presents today for the first time its grand design for a reorganisation of the arts, including creation of a National Conference for the Arts and Entertainment and increased support from central and local government.

Machine tool aid will all be used

By Kenneth Gooding, Industrial Correspondent

ALL THE £20m. allocated by the Government to the machine tool industry aid scheme is now certain to be taken up. More money might have been found if reasonable applications for assistance were to be rejected.

Less damage than feared to ICI plant

By Kevin Done, Chemicals Correspondent

DAMAGE TO Imperial Chemical Industries' dyestuffs plant at Grangemouth, Scotland, is less extensive than was at first feared, when the plant exploded earlier this week.

Lloyd's warn of higher motor premiums soon

BY ERIC SHORT

A WARNING of higher motor premiums in the new year was given yesterday by Mr. Kenneth Joughin, chairman of Lloyd's Motor Underwriters Association. At the same meeting it was announced that profits for 1974 had fallen to £81m. from the £106m. of the previous year.

Urenco bids for U.S. enrichment market

BY DAVID FISHLICK, SCIENCE EDITOR

URENCO, the Anglo-German-Dutch uranium enrichment consortium, and a further 4,000 U.S. market for enrichment, Associates believes that Urenco has a tightly controlled commercial terms could U.S. Government monopoly.

Engineering industry output still slack

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE CONTINUING low level of output in the engineering industries which the Department of Trade and Industry has published in its first time figures show that the mechanical engineering sector rose by only 1 per cent from the trough in output reached at the end of last year.

Marks and Spencer will try selling paint

BY KEVIN DONE, CHEMICALS CORRESPONDENT

CLOSE ON the heels of its failure to make a success of white paint, which now Spencer is going to try selling "real ale" paint.

Always



# MARLEY NOVA. IT TOOK A GENERATION OF SUCCESS TO ACHIEVE IT.



**1940's Thermoplastic tiles.** After the war, the bright new beginning. People seek original product ideas to replace scarce and old-fashioned ones. In floorings, Marley introduce Britain's first thermoplastic tiles. They're easier, cleaner and less expensive—and remain so today. The new Marley generation is starting to grow.

**1950's Consort.** Marley launch Britain's first printed sheet vinyl flooring under the brand name 'Consort.'

A revelation, 'Consort' is more decorative, tougher and simpler to clean than any previous flooring.

It's an immediate best-seller, bringing new colour and imagination into people's homes.

And people are still graduating to 'Consort'—now in a wider choice of colours and patterns than ever in the current range.



**1960's Vinylaire.** The advent of Marley's softer, cushioned flooring range, 'Vinylaire' has a textured-designed surface and foam underlay.

It provides the ideal marriage of the decorative and the hard wearing.

As the 'Vinylaire' range develops into the seventies through 'Vinylaire de luxe,' 'Royale' and 'Sprint' there's an increasing choice of colours and patterns.



**1977 Nova.** Once again, Marley are first—this time with 'Vinylaire Nova,' Britain's cushioned flooring which can be simply cut to shape and loose-laid.

The reason is a new specially-formulated interlayer. So 'Nova' hugs the floor—a model of ease and convenience which avoids the use of adhesives.

And 'Nova' is so easy to pattern-match, with a wide choice of crisp, embossed designs and rich colours, protected by a clear vinyl shield.

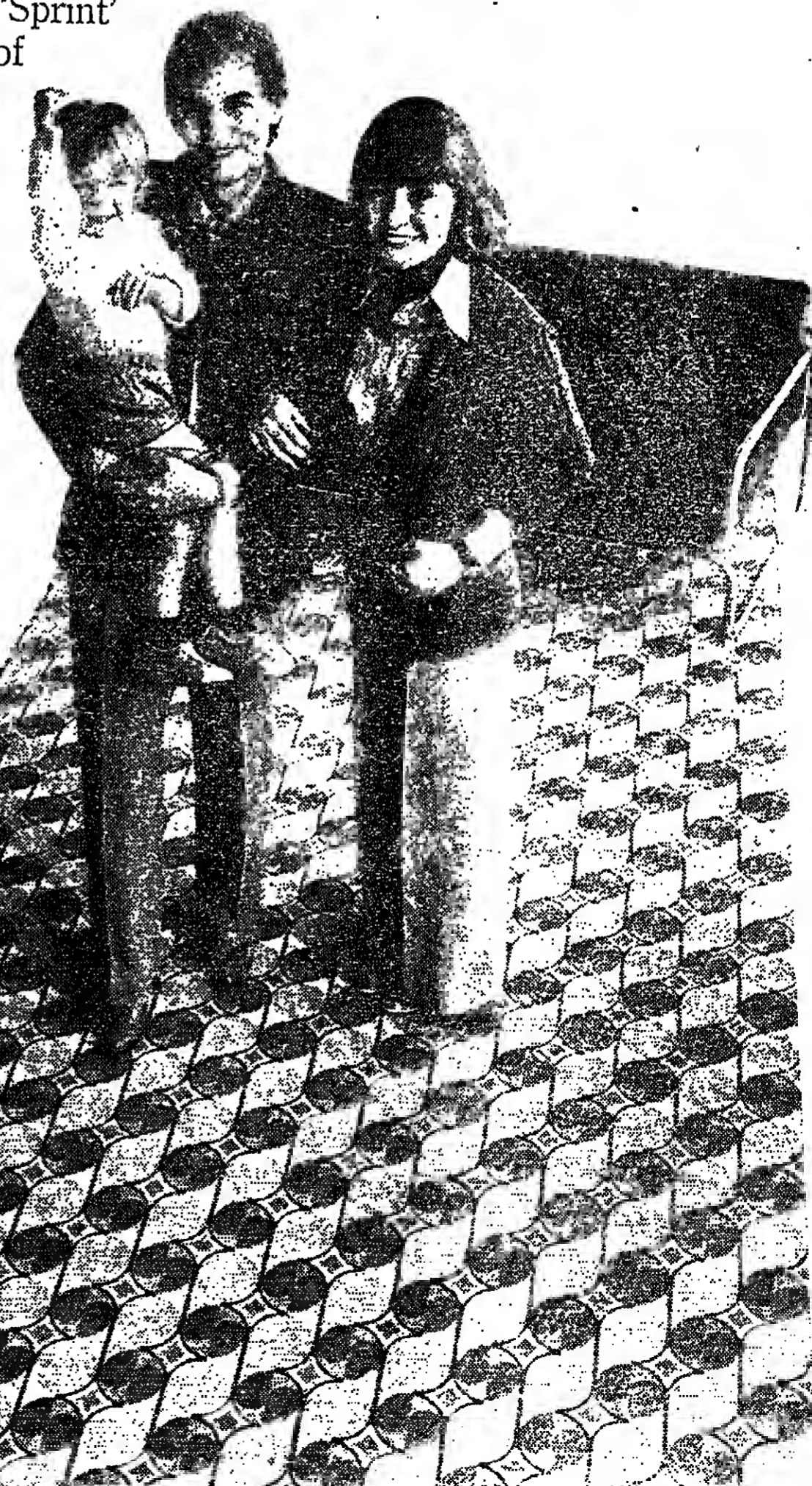
Choosing is the only problem you'll have.

Marley 'Nova' is very much about family life today.

'Nova' shows that, for Marley, success has a habit of repeating itself.

You can share in this success (and add to it) by buying 'Nova' from your nearest Marley stockist.

Preferably before you're a day older.



**MARLEY**  
Always first in flooring

# The Property Market

BY JOHN BRENNAN

## Shares outstrip rent and asset fundamentals

Under the influence of the gully market's infectious enthusiasm investors are faced with a paradox. There is buying pressure to keep property shares moving ahead. And yet on fundamental grounds it could be argued that the shares are already too expensive.

Land Securities is now well through the 200p barrier at 219p. Almost in line with its latest performance asset value. Property values have clearly improved since that valuation in March. But even an historically water (in discount to assets of 20 per cent, would imply group assets per share of around 270p. Only those who feel that Lord Samuel's advisers took an unreasonably pessimistic view with their revaluation can easily justify the rating. Property values have increased since March. But hardly by a full 20 per cent.

Without any dramatic upsurge in rent levels since March, the sheer weight of institutional buying pressure has been the prime force behind recent reductions in prime property yields. Although the market is anticipating its fifteenth cut in short term interest rates since the beginning of the year, yields as early as March were already partially discounting future interest rate cuts. Values, therefore, are unlikely to have risen by more than 10 per cent, or so since then, and not that basis the funda-

mental logic for the sector's 10 per cent gain over the past week is hard to find. Not that logic ever deterred a bull market in full steam, although it may effect the sector's relative performance.

## London's unloved Wall

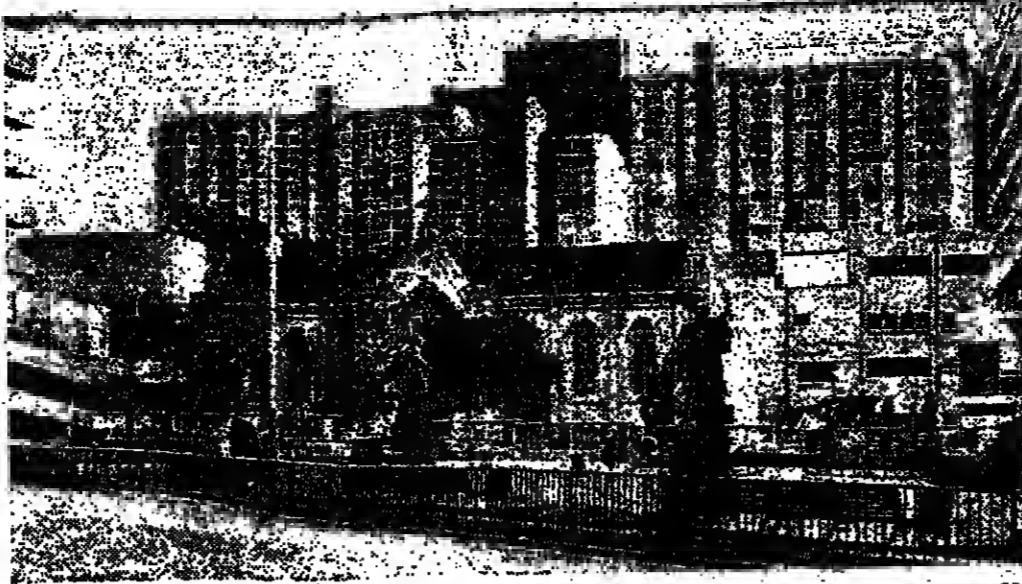
This week's letting of five of the six floors in the St Alphege House office tower on London Wall vacated last year by accountants Arthur Anderson, underlines the problems of marketing off-centre and out-dated City space.

Debeham Tewson and Chinnocks, acting for Anderson, had to clip £1.50 from the initial asking rent of £9 a square foot before it could fill the 6,050 square feet floors. First National Finance Corporation took two, and the rest went to the U.S. Shearson Hayden Stone. The Institute of Chartered Accountants, advised by Richard Elias; and the Japanese shipping group, Tshoku, who were represented by Hillier Parker May class office towers have never attracted the commercial success that would have helped to counter their brutish appearance. This southern border of the City of London's Barbican scheme was planned as a speculative but logical office overspill from the City's traditional core, east of Moorgate. But whatever the logic, the City has never spilled with much enthusiasm or pressure along London Wall's bleak roadway, and the area remains a rental hackwater.

On the face of it, the 500,000 square foot of offices planned for Whitbread's Chiswell Street brewer's site to the North of the Barbican ought eventually to bring the whole section of the City west of Moorgate alive. Chiswell's shops, leisure and housing space, married in the new arts complex in the Barbican, should be drawing the crowds from the early 1980's. But by that time, as the bulk of leases on the early London Wall towers fall due for renewal, their lack of adequate air conditioning and generally outdated design could simply provide tenant fodder for the modern space to the north.

Raker Harris Saunders, joint development consultants for the Whitbread Centre with Montague Evans, leave London Wall out of their area rental comparisons. They point out that rents along Moorgate, as far as Finsbury Circus, have overtaken similar space on the Wall, averaging out around the £8 a square foot mark. Allowing a premium for the rarity value of new air conditioned, and discounting for their off-centre position, B.H.S. feel that £8 would be a base for asking rents at Whitbread—if the buildings were ready to-day.

In the meantime, Debeham's still have nine floors of the City Corporations Bastion House block at the St. Paul's end of London Wall on offer. Nissiolwal took the top four 6,230 sq. ft. floors, and another is under offer. Asking rents are just under £10.50 a sq. ft. for the air conditioned space, which falls into that embarrassing category, not new, but unused. The 4,100 sq. ft. ground and first floors of



Leeds, we are assured by Healey & Baker and V. Stanley Walker & Son, is the commercial heart of the north." As joint letting agents for the city's largest development, Raglan Property Trust and Guardian Royal Exchange's 123,000 sq. ft. Eleven Albion Street offices (above), the agents' slip into superlatives may be forgiven. As they just let 42,500 sq. ft. of the offices to IBM

U.K. at an exclusive rent "close" to the £5 a sq. ft. asking level, perhaps they are right. Apart from the 80,500 sq. ft. left in Albion Street's lower floors, there is around 200,000 sq. ft. of empty space in Leeds at the moment, with another 300,000 sq. ft. in the pipeline. English Property Corporation's 63,000 sq. ft. St. Paul's House is the only other modern unit of comparable size on the market.

Roxey House on the south side of the Wall are available at £9.75 a sq. ft., and two floors of Winchester House await tenants willing to offer £13.70 a sq. ft. for a 3,900 sq. ft. floor, or £14.70 for a 4,070 sq. ft. suite and willing to pay a further £8.90 a sq. ft. in rates.

**£500 a square foot**

THERE are now more than 250 Bureaux de Change cashing in

on Central London's tourist boom. After Monday's announcement from Barclays Bank—which is revamping its foreign exchange services to meet tourists' needs—the new wave money changers, crammed into jeans shops and kiosks through out the Capital, can expect ever increasing competition from the main clearing banks. And if the Bureaux come under pressure, so will a very lucrative sub-letting business.

Some spectacular rents are reported for these high turnover money shops. One exchange dealer reports two vehicles, one

six foot by ten foot, the other three by ten, with, one presumes, the necessary planning consents for foreign exchange use, offered to him for annual rents of £30,000 and £11,000 respectively. Yes, that does work out at £500 and £333 a square foot and the second, bargain space, was offered exclusive of rates. It is hardly surprising that when Barclays did preliminary research on charges in some of the smaller Bureaux its team of pseudo-tourists were frequently told what they could do with their questions. And in the few cases where Bureaux complied

## In brief . . .

Manchester's office market is beginning to show selective signs of life again. But in an over-officed city even developers of

Financial Times Friday September 9 1977

with Bank of England regulations and charges, the Bank's rates that, after paying a penal conversion-factor, tourists also had to pay commission rates of up to 3 per cent.

As director Guy Cotton of foreign exchange dealers Deal Perera says, "many of the 'mid-night cowboys' of the business are forced to charge the earth working for the landlord."

An equally grey area of high turnover retail space, where it is also impossible to track down accurate figures for rent levels, comes under the august wing of the British Airports Authority.

Duty-free goods carry that seductive impression of being bargains, and the fact that many goods at Heathrow and Gatwick could be bought more cheaply in the country, despite the lack of excise duty, never seems to deter the flying buyer. The BAA equates that sales at its Heathrow stores make them the most profitable selling space in the country. And, as the BAA's rents to duty-free concessionaires are turnover related, last year those shops chipped in £33.4m., a third of the Authority's total income.

On the same principle as the Bureaux de Change, have beefy rent bills forced the concessionaires to drop the bargain element from duty-free goods? Do rents at Heathrow's shops really run to £200 a square foot? The BAA won't be drawn. And as to the £200 figure, all they say is that it is "way off beam". Next time it is "way off beam" a bottle of Scotch at Heathrow and join the strike bound queues, you can muse on the question "way off beam": too high, or too low?

the highest quality space are grateful for rents below 1973's peak levels. Guardian Royal Exchange, through local agents Dunlop Heywood, have happily accepted £2.30 a square foot for 26,500 square foot air conditioned Cooper House scheme. Rank Xerox advised by Goddard and Smith have taken the space as their Northern Regional Headquarters.

On the investment front, Grant Metropolitan's pension fund has taken the plunge into shorter reversionary space with the £405,000 purchase—an initial 9 per cent yield—of a 28,000 square foot office block in Chester Road, Stretford, Manchester. Current rents of £1.50 a square foot from the international industrial fastness group, Hill, are reviewed in May, 1980. Barnett Baker advised Grand Metropolitan, and advised Grand Metropolitan, acted for the vendors, a publicly shy quoted property company.

The property development arm of London Mercantile Group has paid £1.25m. for the freehold of ICL's 6.73 acre factory and office site on the A23 north of Croydon. ICL abandoned its 400,000 sq. feet of buildings on the site four years ago. LM has planning permission for 180,000 sq. feet of additional warehouse and industrial space and plans to have the development ready for letting within a year. Lambert Hill and Partners, who advised on the purchase, are retained as letting and funding agents.

J. Sainsbury follows the trend for owo-developments by r tailors with the success of a £1.75m. tender for the 61 ac Ashton Square shopping scheme in Dunstable, South Bedfordshire. District Council have granted 99-year lease to Sainsbury; it will fund the work and occupy the key 20,000 sq. feet super market space. The supermarket plus four other shops of better smaller units should be up for trading next autumn.

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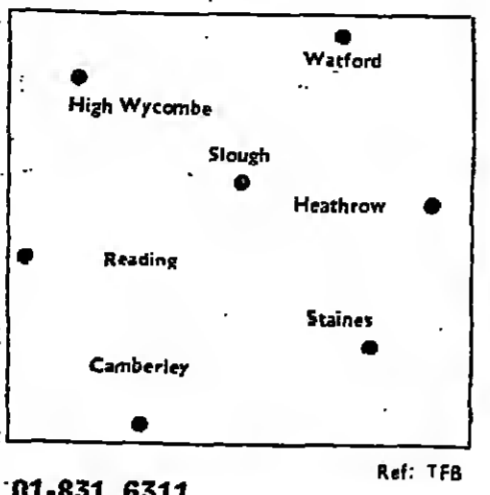
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FOR SALE. Company manufacturing food production products. Turnover £1.5 million. Selling £350,000. Net assets £2.5 million. Principals only. Write Box G.549. Financial Times, 10, Cannon Street, EC4P 4BY.

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FOR SALE

WELL ESTABLISHED PRECISION ENGINEERING COMPANY Modern equipment. Privately owned. Freehold. NORTH EAST LONDON. EPPING FOREST AREA. Reason for sale is pending retirement of sole director. Apply in the first instance to Box G.546. Financial Times, 10, Cannon Street, EC4P 4BY.

PUBLIC WORKS COMPANY

Due to winding up of an estate, Local Authorities are authorized to dispose of 20 per cent. holding in well established Public Works Company. Company based in Edinburgh with wide experience and reputation. Excellent prospects. Financially sound. Further particulars to Secretary, c/o The Trustees, 10, Cannon Street, EC4P 4BY. Tel: 01-253 5791.

NORTHERN FRANCE

Clay block Manufacturing Company for sale as a going concern, freehold. Extensive recent investment in new machinery taking plant, genuine and fully equipped. Excellent communications, via Motorway A1 for Brussels/Paris. For further details please contact: P. J. Rice, Old School House, Bridge Road, Merton Bridge, Kings Langley, Herts. Tel: Kings Langley 42175

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SOFT DRINKS MANUFACTURING BUSINESS FOR SALE TURNOVER EXCEEDING £1M. Write Box G.578. Financial Times, 10, Cannon Street, EC4P 4BY.

ENGINEERING BUSINESS

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HOME NEWS

House building rate improved 5% in August, says council

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

PRIVATE HOUSE BUILDING activity continued to improve in August, according to the National House Building Council. Builders made a start on 12,152 homes during the month, almost 5 per cent higher than in the same month last year. The monthly total was nevertheless 20 per cent down on the August average for the past decade, an indication of the improvement still required before the housing sector can again be described as buoyant.

Growing land shortage warning

BY OUR OWN CORRESPONDENT

LAND FOR private housebuilding is drying up, according to the House Builders Federation. Mr. Tony Cavanna, president of the Federation, yesterday told house builders in Bristol that the whole framework within which the planning and development control system should be operating was becoming increasingly bogged down. Less and less land, he claimed, was being released for development and there was a growing crisis in the availability of land.

The Department of the Environment yesterday released figures to show that the average price per plot of housing land in England and Wales during the first half of this year was about 4 per cent higher than in the same period of 1976, but at about the same level as in the second half of last year. The Department estimates that the average plot price in the first six months of 1977 was £1,876 against £1,813 in the same period last year.

Re-think for scheme allowing U.K. architects to advertise

BY OUR OWN CORRESPONDENT

PROPOSALS WHICH would have allowed Britain's architects to advertise their services are to be reconsidered by the Architects following widespread opposition to the move from the profession. In July, the policy committee of the institute decided to recommend a change in its code of professional conduct which would have enabled architects to promote themselves in a far more active manner than in the past.

Japanese investment hinges on Hitachi

By Our Glasgow Correspondent

A WARNING that considerable Japanese investment could be lost to the U.K. if the Government rejects Hitachi's plan to build a television factory in Co. Durham came yesterday from Mr. Tadao Kato, the Japanese Ambassador. He told a Scottish seminar on exporting to Japan that no Japanese company would come to Britain if it were not welcome.

Merseyside job plan goes to Callaghan

By Our Own Correspondent

A PLAN for tackling worst unemployment on Merseyside was adopted by the Liverpool City Council to be sent to Prime Minister and MPs in London. It urges a speedy recall of Parliament, endorsing the plan made by Mr. Eddie Lyle, Labour MP for Liverpool Garston, for an emergency debate. It also asks for £50 million for Merseyside in the form of a special rate of relief for the area.

Police think gunmen had no political motive

BY OUR BELFAST CORRESPONDENT

NORTHERN IRELAND police were convinced yesterday there was no political motive behind a masked gunman's shot at West Germany's consul in the province. The man, who forced 42-year-old Herr Jürgen Gradel to lie face down on the floor after a shot had passed inches from his head, is believed to have been a thiel who panicked when disturbed while breaking into the Gradel home at Ballymena. The incident particularly raised speculation about motive because Herr Gradel's predecessor, Herr Thomas Niedermeyer, disappeared mysteriously in December, 1975, in a case on which police files are still open.

U.S. has no Ulster peace plan

BY GILES MERRITT IN DUBLIN

THE NEW U.S. Ambassador to Ireland, Mr. William Shannon, emphasised yesterday that President Carter's statement on Northern Ireland a week ago does not imply the existence of a U.S. peace plan for the province. Mr. Shannon told a U.S. Chamber of Commerce lunch in Dublin there is no peace plan. He said that Washington remains uncommitted with any of the political factions in Ulster and views solution of the Northern Ireland problem as a matter for the British and Irish Governments.

Conservation man: Nuclear growth needles

BY IAN BREACH IN WHITEHAVEN

THE EXPANDING nuclear economy of which British nuclear power is a part, would be a gross misdirection of resources, said a witness at the inquiry at Whitehaven into ENP's plans yesterday. Dr. John Darnell, director of the Conservation Society and formerly a senior research director at Parke-Davis Pharmaceuticals, said there was no guarantee that an enlarged nuclear power industry would provide expected improvements in welfare or standards of living. "Indeed, if it diverts resources of skill and capital from the more cost-effective routes of energy conservation and increased efficiency of use, and if it increases the fuel that some problems can be resolved only by the already rich countries.

National Carriers starts home deliveries

By John Lloyd, Industrial Staff

NATIONAL CARRIERS, the subsidiary of the State-owned National Freight Corporation, has started deliveries direct to homes. The new distribution system will serve its headquarters in Leeds, will be known as Homegard. The service will have seven branches throughout the U.K., based at Falkirk, Gateshead, Leeds, Warrington, Birmingham, Bristol and High Wycombe. Homegard will have an initial fleet of 51 delivery vehicles, with a planned expansion after a year to double that number.

Inland Revenue is reprimanded

BY RUFERT CORNWELL, LOBBY STAFF

A PARLIAMENTARY Committee yesterday criticised the tax authorities for failing to carry out the Ombudsman's recommendation of making at least partial repayment to a taxpayer who lost money through Inland Revenue incompetence. The criticism is contained in the latest report of the Commons Select Committee on the Parliamentary Commissioner for the Ombudsman. The Committee claims to ensure that Whitehall departments carry out the decisions of the Ombudsman. As a rule, it says, they do.

U.K. architects to advertise

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Advertisement for WindScale Inquiry, featuring a logo with an atom symbol and the text 'WINDSCALE INQUIRY'. The text discusses energy conservation and nuclear power.

# DID THE POLLS GET YOU RIGHT?

Should Britain's four main clearing banks be nationalised?

The Prime Minister, most of the Cabinet and the majority of Labour supporters say no, but last year the Labour Party Conference voted in favour of nationalisation.

We (the banks named below) have been asking you, through these Banks Debate broadsheets, what you think.

Every day the issue becomes more widely discussed, as we see from our postbag.

So far, over 28,000 have taken part in the debate. And over 90% of them wrote to tell us

that, for many reasons, they are against bank nationalisation.

## Independent polls.

Since the Debate was opened, there have also been two public opinion polls by independent organisations on this important issue. Both interviewed a complete cross section of the British public. One was conducted in July by Market & Opinion Research International (MORI) and the other in August by Gallup.

One of MORI's questions asked, "Do you think this industry (banking) should be

nationalised?" 74% said no; 14% said yes. The remainder were uncommitted.

Concerning the Banks Debate itself, 90% of people said that they liked being given the chance to express their views. So we're printing some of the actual questions from both polls here, with the results. You might like to tick the appropriate boxes and see whether your opinion matches up with the majority view.

If you'd like to send us the page when you've filled it in, we will be pleased to add it to the growing fund of information on the public's opinion about the future of its banks.

## Banks and their customers.

1. "If the banks were nationalised, customers would get better service than they do now."

PUBLIC OPINION		YOUR OPINION	
They would	They wouldn't	They would	They wouldn't
11%	70%	<input type="checkbox"/>	<input type="checkbox"/>

2. "If the banks were nationalised, bank charges would go up."



PUBLIC OPINION		YOUR OPINION	
They would	They wouldn't	They would	They wouldn't
67%	16%	<input type="checkbox"/>	<input type="checkbox"/>

3. "If the banks were nationalised, there would be a wider choice of services than there is at present."

PUBLIC OPINION		YOUR OPINION	
There would	There wouldn't	There would	There wouldn't
17%	53%	<input type="checkbox"/>	<input type="checkbox"/>

4. "If the banks were nationalised, the standard of management would rise."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
17%	62%	<input type="checkbox"/>	<input type="checkbox"/>

## Banks and Britain.

5. "If the banks were nationalised, do you think they would do a better or worse job for Britain?"

PUBLIC OPINION		YOUR OPINION	
Better	Worse	Better	Worse
12%	55%	<input type="checkbox"/>	<input type="checkbox"/>

6. "If the banks were nationalised, it would be good for investment in Britain."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
18%	54%	<input type="checkbox"/>	<input type="checkbox"/>



## Banks and Investment.

7. "The Government would be likely to make better use of the banks' money than the banks do now."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
27%	55%	<input type="checkbox"/>	<input type="checkbox"/>

8. "The Government would use some of banks' customers' money to support unsuccessful businesses."

PUBLIC OPINION		YOUR OPINION	
It would	It wouldn't	It would	It wouldn't
50%	21%	<input type="checkbox"/>	<input type="checkbox"/>

9. "If the banks were nationalised, people would be less willing to save or invest their money in them."

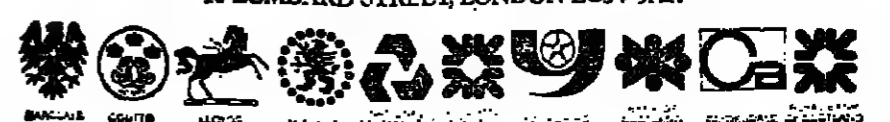
PUBLIC OPINION		YOUR OPINION	
They would	They wouldn't	They would	They wouldn't
60%	18%	<input type="checkbox"/>	<input type="checkbox"/>



**What's your opinion?**  
We want to hear from everyone, whether you're for or against bank nationalisation. So please tick the boxes in this advertisement and send us the page or, if you would

prefer, write us a letter giving your views. You can deliver it to any branch of any bank listed here, in an envelope marked "The Banks Debate." Or you can post it to us at the address on the right.

**THE BANKS**  
10 LOMBARD STREET, LONDON EC3V 9AP.





TAKEOVER DILEMMA FOR A CO-OPERATIVE

When workers are tempted by a capitalist carrot

BY ROBERT OAKESHOTT

THE famous textile mill... up as a workers' coop by the Rochdale Pioneers in the 19th century...

the Lowell mine's then owners, figure was ever used. Actual astonishing commercial success years of life came from hourly-paid workers...

formula of "2x plus y." From what I heard at Lowell, the arrangement has not worked well. And there has been much mistrust between the salaried management and the hourly-paid workforce...

both through ignorance and other reasons, it is all too easy for the successor enterprise to be wronged, and self-defeatingly structured. Evidence both from France and from Britain suggests that this is a widespread phenomenon in the Atlantic world...



The Vermont Asbestos Group has been owned by its labour force since 1975. But its success has attracted approaches from outside and employees are divided over whether to sell out at a large profit



temptation to sell... looks like being of the most common... worker owners would resist...

remedial measures add to modify those measures quite significantly. For example, the mine has been allowed to "boose down" the dust at the point where the slag rock or "tailings" are ejected...

interest which underlie it that the V.A.G. labour force is confused and split on the issue of possible sale. For example, Wednesday's offer may well be opposed by some partly because Mr. Hammang is associated with it...

doomed. After all, as at Lowell, the reasons for capitalist closure may be largely that carrying on is too much of a bother. On the other hand, as also at Lowell, the North-East...

Persuasion exercises... In effect Lupien, though receiving invaluable support from a variety of quarters, was the prime mover and driving force behind three successive persuasion exercises over the next 12 months...

Its success as a business since then is indicated by the fact that audited profits between March 1975 and end 1976 exceeded \$3m. By May of this year, not only had all loans been paid off, V.A.G. had accumulated more than \$1m of cash assets...

It would be immensely encouraging, at least for supporters of worker ownership and workers' control. If it was possible to claim that the remarkable success at Lowell since March 1975 was mainly due to changes in workforce attitudes and the spontaneous adoption of output-maximising work habits...

Encouraging to claim... Part of the reason for these prices has been interrupted production elsewhere in North America. At least one Canadian mine has recently gone bankrupt...

capital gain... understand how the possible 45-fold capital gain on we must go back to the Clean Air Act of 1972...

Encouraging to claim... Part of the reason for these prices has been interrupted production elsewhere in North America. At least one Canadian mine has recently gone bankrupt...

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'swift and certain' way to collect tax

THE Exchequer probably of a desire to protect and increase the yield but also out of difficulties associated with over a determination to preserve an efficient method of collection...

Advertisement for Hewlett-Packard HP 3000 Series II computer. Includes text: 'IT'S POSSIBLE FOR ONE SMALL COMPUTER TO ACT LIKE A BIG CENTRAL COMPUTER', 'The Hewlett-Packard 3000 Series II can handle up to 63 inputs from terminals...', and a coupon for a brochure.





# British Columbia

Canada's far western Province of British Columbia is currently experiencing a moderate upswing in its fortunes while the rest of the country lingers in recession. Though firm in its support of federal unity, Premier Bennett's Government is arguing for greater freedom for the Province to develop its resource-rich economy.

### Keen to show faces

John Griffiths

THE PAST 20 months, a 34-year flirtation with liberalism, British Columbia has retracing its steps to the of fiscal conservatism. It lone so under the guidance of Social Credit (Socred) government which has made stately clear its disapproval of deficit financing, and of a Premier no disapproving of economic at the federal level. Premier W. R. "Bill" Bennett, 45-year-old millionaire son of the irascible W. A. C. Bennett whose free-trade Socreds ruled the province throughout the 60s, is not slow to criticise federal Canadian policies, and is quicker still to leap to defence of Canada.

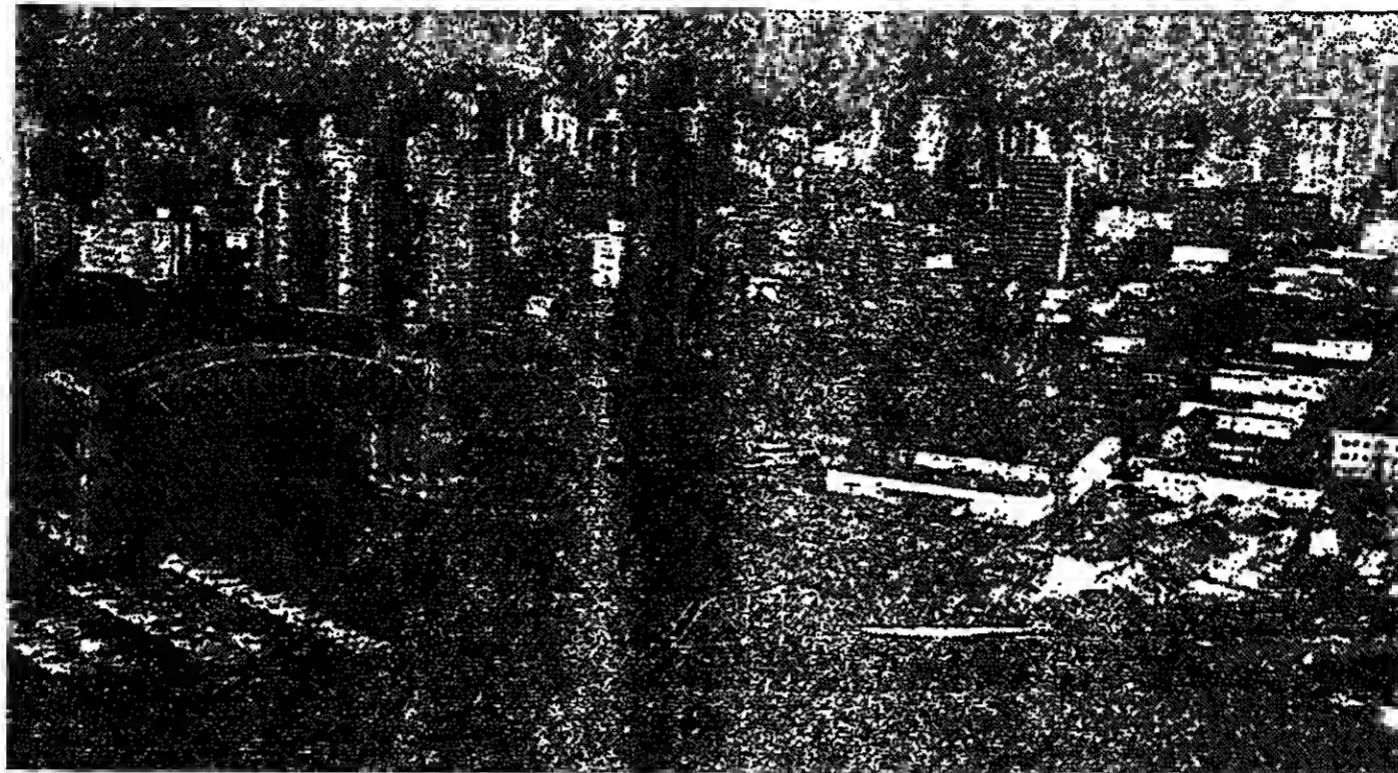
He insists that the looming Quebec referendum on union with Canada is not a threat to national unity but the root of Quebecois animosities, and their principal cause, remain solely economic. He insists that his own view of Quebecois opinion,

during a recent visit to the east for a provincial premiers' conference, left him persuaded that most Quebecois feel the Quebec Government's preoccupation with the referendum is diverting it from adequately tackling economic problems.

"If they don't meet their obligations and responsibilities, I don't think they can win another provincial election—and I think that is where Quebec separatism will stop," asserts Bennett. "The people of Quebec did not vote for separatism. They defeated a Government (the Liberals) they felt had grown old and tired, autocratic, arrogant and all the other terms which a people apply to a Government when they decide to get rid of it."

But if he is unambiguous about his vision of Canadian unity—"Confederation can, and will, survive"—he is no less adamant that there should be fundamental changes in the structure of federal-provincial relations. He acknowledges that in the Western provinces generally, and his own province in particular, there has also been a sense of alienation from, and exploitation by, the Eastern provinces. "But I think all these things can be resolved by allowing the regions, or the provinces, greater autonomy to direct their own economies... yet at the same time having the federal presence in those areas where the government can bring about a national policy."

However, Bennett's conception of ideal federal responsibilities might be viewed as somewhat narrow through Ottawa's end of the telescope. In addition to services such as



A view of Vancouver.

health, education and welfare, he envisages full responsibility at provincial level for overall economic development, resources utilisation and industrial growth.

The role left for the federal Government, in this view, is a co-ordinating one in which federal action in areas of its jurisdiction, such as national income equalisation, monetary policy and negotiations within GATT, should be undertaken in much greater consultation with

the provinces. "What we are lacking," complains Bennett, "is any kind of national economic blueprint."

Clearly there is a sense of grievance beside BC—a resources-rich area the size of Western Europe but with only 2 1/2 m. inhabitants—at the poor showing of the Canadian economy at a time when the province's economy is starting on an upward path.

Currently a net contributor to federal coffers to the tune of

some \$500m. annually, BC's Government has just disclosed a budgetary surplus for the first quarter of \$190m., some \$100m. more than had been expected.

That, however, is not a particularly difficult feat. The latest OECD forecast predicts that Canada's GNP growth rate will fall to a mere 3 per cent. this year, against 4.9 per cent. in 1976, with a similarly gloomy current account deficit of Can.\$4bo. and unemployment averaging 8 per cent. compared with a level of 5.3 per cent. during the boom year 1974.

The biggest black spot in British Columbia's economic

scene at the moment is also unemployment, running at 8.3 per cent. in June, but the Bennett Government insists on laying the blame at Ottawa's door, primarily for a failure to control inflation which helped push Canadian, and particularly BC, labour costs further and further out of line with those in the U.S.—the country which provides BC with both some of its biggest markets and some of its fiercest competition.

In fact, under the federal Government's own anti-inflation programme inflation has been brought down from a rate of 10.6 per cent. in 1975 to around 7 per cent. now. At the same time, however, the Canadian dollar has weakened considerably and there is real anxiety among BC Government circles and employers that the resultant extra pressure on prices could threaten the current untypical air of restraint among British Columbia's traditionally militant labour force. So far this year has seen an unprecedentedly low level of industrial disputes.

"We haven't licked the problem yet," opines Bennett, "... but if we can continue the current pause while our competitors' costs push up to our levels, then we have a strong future in this province."

either federal intervention or industrial incentives.

In the last few months, Bennett's Government has signed a total of Can\$219m. in economic development agreements with the federal government's Department of Regional Economic Expansion. The money will be used in a variety of ways, to promote employment and in an endeavour to reduce the cyclical nature of an economy which remains vulnerable to the caprices of world commodity markets.

Nevertheless, despite the injection of funds, Bennett disagrees with the agreements on principle: "We don't believe that the federal government should be directing regional economic development... they should transfer the taxing powers and let us develop our own programmes."

Again, Bennett insists, "It is a classic example of a system which is so rigid it doesn't allow for the flexibility that's needed because of the diversity of the various regions."

There is a widely held view in BC, however, that although the province has been used, in some eyes, as little more than a resource colony, the economic balance is shifting westward despite trade and tariff arrangements which tend to protect central Canada and militate against the West developing a more sophisticated value-added industry.

"Now is the time to get a realistic Canadian policy to hasten that shift, making this an even stronger economic part of the country," Bennett declares. "That's not a threat; it's a plus."

## British Columbia wood products Build a better world

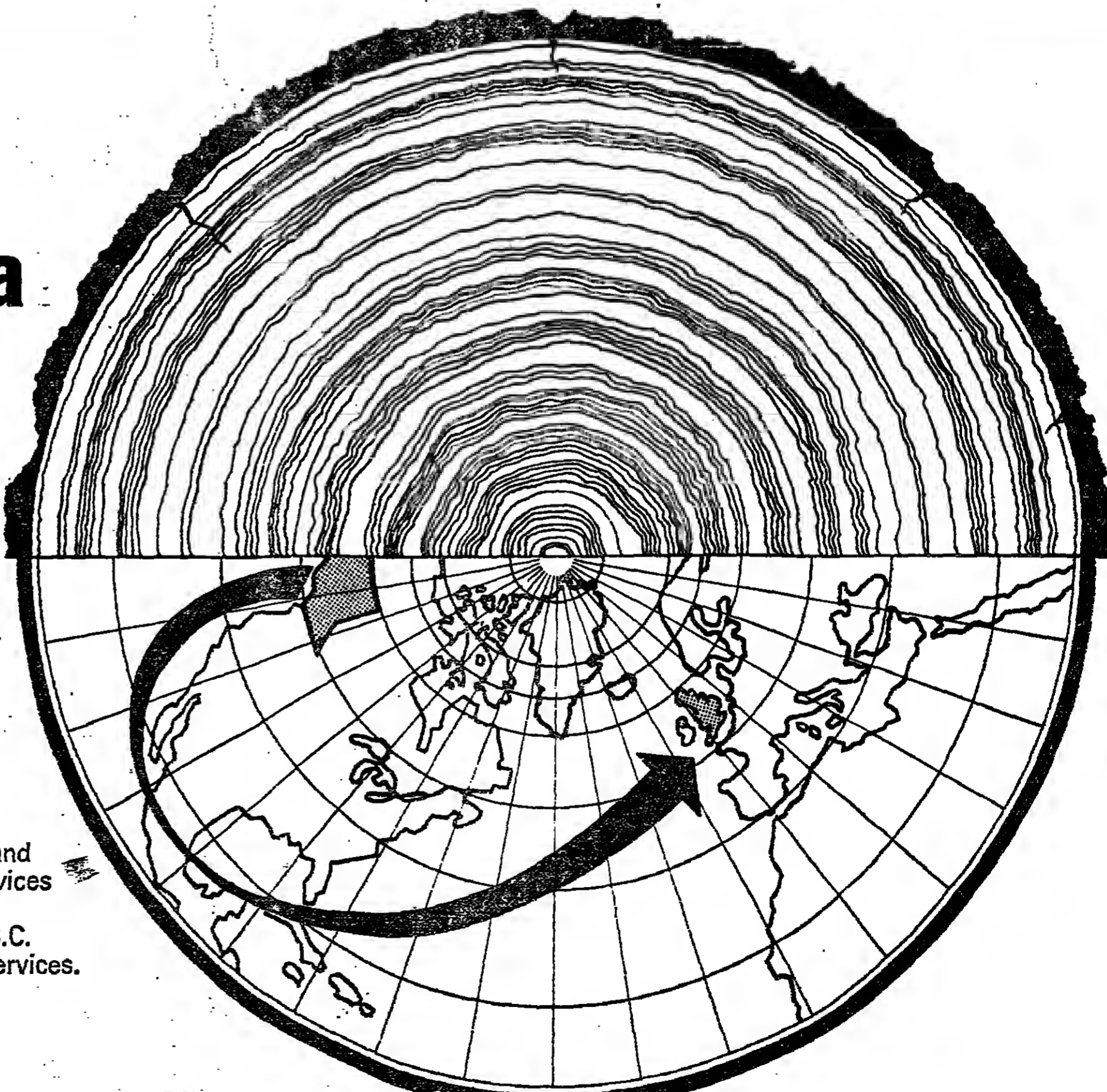
COFI is a non-profit making organisation serving its member companies who between them produce 90% of the total value of the production of the B.C. forest industry.

The function of COFI is to promote a greater specification and use of B.C. wood products—Canadian COFI EXTERIOR DFP and CSP Plywood, CLS Hem-Fir and Spruce-Pine-Fir, Western Red Cedar, Pacific Coast Hemlock and WRC Shingles and Shakes—through technical development, the provision of free promotional and technical data, and architectural, engineering and wood specialist services to the trade, specifiers and users.

Please contact us for detailed information on B.C. wood products, and the range of COFI technical services.

**COFI** Council of Forest Industries of British Columbia

Templar House, 81 High Holborn, London WC1V 6LS. Tel: 01-405 1105



5th Overseas Exporters for Progress

British Section

BRITISH COLUMBIA II

# The economy and its needs

AT THE RECENT conference of provincial Premiers, British Columbia's Premier, Mr. "Bill" Bennett said he wanted to rid his province of its image as a "resource colony" of Canada. Given the province's current overwhelming dependence on raw materials exports, its relative geographical isolation, its high costs and small population, that is a task much easier said than done.

What appears more likely is that the basic, resource-oriented structure of the economy will remain mostly unaltered for some years to come. Most businessmen predict that the growth of secondary industry will be slow and that it will face considerable difficulty in trying to compete against U.S. manufacturers to the south.

In any case, it is arguable that the type of intensive programme undertaken by neighbouring Alberta to broaden the base of its economy before its principal resource, oil, starts running out at the end of the 80s is by no means as urgent a need in the case of B.C.

Mr. Bennett's province is not well endowed with oil; indeed it has 110,000 barrels daily from Alberta. But it does possess vast, renewable and mostly exported timber resources; enough coal to provide for the province's own projected energy needs and to maintain a large export market until well into the next century; and substantial copper, zinc, uranium, gold and other minerals.

Furthermore, after a hiatus of three years or so caused mainly by the post-oil crisis recession and to a lesser extent in B.C.'s case, by the free-spending activities of a well-intentioned but economically inexperienced socialist New Democratic Party (NDP) Government which plunged the province into unaccustomed deficit, a willingness for new capital investment is at last reappearing among the major industries.

Some of the encouragement has come from the more neutral stance taken by the new Govern-

ment. It repealed the NDP law which, in imposing a royalty on production of mines rather than profits produced in some cases, the industry complained, a tax burden of up to 101 per cent. A more conventional taxation of profits has been reintroduced.

In addition, the Government is offering to the British Columbia public a chance to invest in the B.C. Resources Corporation, a public company that is planned to operate in the private sector and which, effectively, represents an unloading by the new Government of most of the private company assets taken over earlier by the NDP.

Involved are nearly 10m. shares in Canadian Cellulose, one of the larger forestry companies, a 10.8 per cent. stake in Westcoast Transmission, the province's principal gas-gathering concern, and holdings in Plateau Mills and Kootenay Forest Products. In addition, the Government will hand over various natural gas and oil leases, licences, reservations or permits rights.

The value of the Government's holdings are to be determined by independent appraisal and a prospectus for the deal, unofficially valued at up to \$C75m., should be ready by the end of the year. In presenting the legislation, Premier Bennett suggested it should boost industry's confidence on the basis that it would assuage fears that the Government might play favourites with any of the resource companies it controlled.

Some measure of returning confidence can be obtained by new investment programmes announced in the past few months. In the forestry sector, MacMillan Bloedel, the province's biggest operator, is spending \$C450m. on a five-year development plan; Crown Zellerbach is putting \$C125m. into upgrading pulp and paper facilities, and Cominco, the big mining concern, has a \$C45m. pro-

gramme to increase lead and zinc output from the B.C. interior.

Meanwhile, the fourth sale this year of oil and gas exploration leases last month brought in \$C54.5m. to make a total so far this year of \$C92m. — more than the Government received from all sales in the three previous years combined.

Nevertheless, given much higher capital investment levels by similar operators in the American Pacific North-West, it seems clear that there is still some holding back. One reason may be that it is by no means certain that the provincial flirtation with the socialists is over.

## Disastrous

The disastrous, as it proved, decision by the NDP to call an early election in December 1975 left the party with 18 seats in the 55-seat provincial legislature. The Socialists held 35 and the Liberals and Progressive Conservatives one each. While there have been no official polls published recently, one unofficial survey conducted by a newspaper in the provincial capital, Victoria, suggested the NDP might pick up over 40 per cent. of the popular vote if an election were to be held now.

Another significant factor in the economic turnaround has been the relatively smooth course of wage negotiations among the highly unionised workforce. Some 200,000 union members are involved in contract negotiations this year. Unlike previous years, and apart from a particularly unruly strike at one downtown Vancouver hotel, negotiations to date have been remarkably peaceful.

One of the most important onions, the 30,000-strong International Woodworkers of America, has just settled amicably and the prospects look set fair for other big unions to follow suit. In the first four

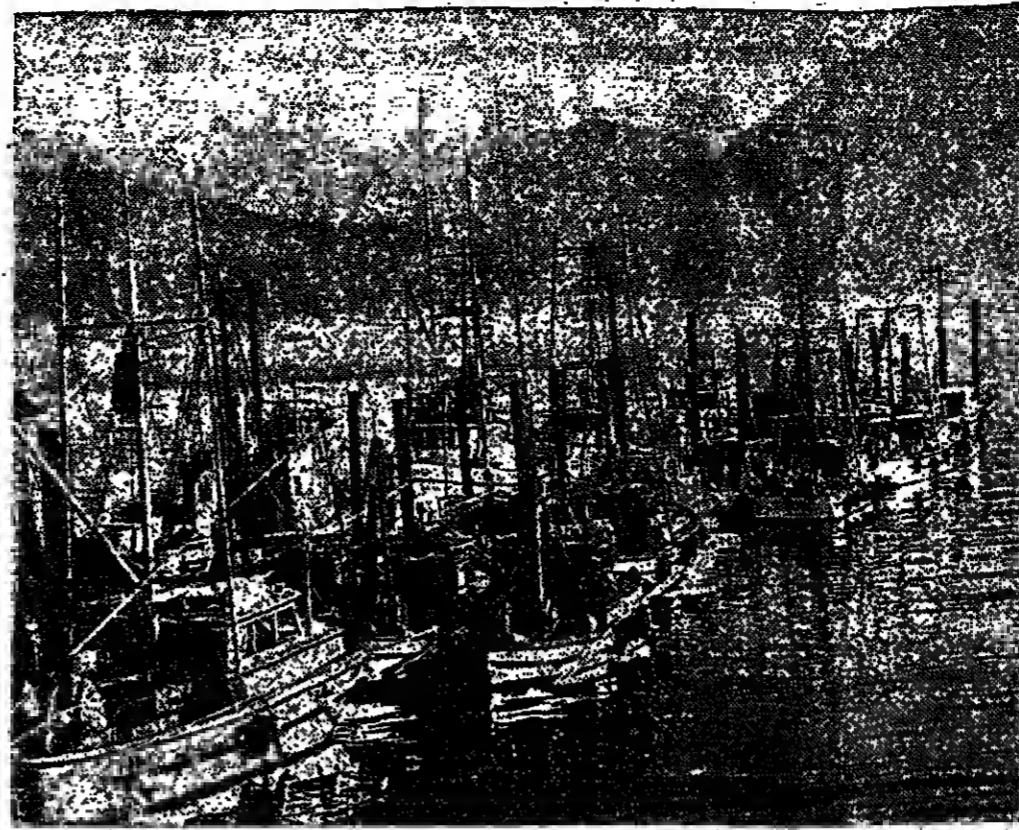
months of the year, Anti-Inflation Board statistics show 40,000 more days lost through disputes in B.C. The previous year's figure was 182,000.

Undoubtedly the continuing controls imposed by the federal Anti-Inflation Board, with their enforceable ceiling on pay awards of 6 per cent. to 8 per cent., have exerted a big influence. Following a refusal by the national Canadian Labour Congress to go along with Ottawa's conditions for ending the controls early, Prime Minister Trudeau has said they will stay in force until their scheduled end next year. Business opinion is divided on whether that might signal a new burst of wage inflation; BC Federation of Labour president Len Guy declares the current period to be "the lull before the storm."

Two of the bleaker areas in the economy continue to be housing and the weakest of all, construction. Housing starts this year are expected to be in the range of 25,000 to 30,000, compared to some 38,000 last year. Current inventory levels are high and so it is to be expected that there will be a further decline in the near future. British Columbia house prices are the highest in Canada, but they now appear to have stabilised and there is speculation that there may be slight falls this year.

Non-residential construction is virtually at a standstill; with a number of commercial projects shelved and both warehousing and office space in substantial "over-supply." Among privately owned office buildings, average vacancy levels, according to a Real Estate Board of Greater Vancouver survey, have risen to over 12 per cent.

Looming in the background, however, and promising to make a considerable impact on the BC economy — if, as now widely expected, the project is approved by President Carter — is the proposed Alcan pipeline to bring natural gas from Alaska's North



The fishing fleet at Campbell wharves, Vancouver.

Slope to U.S. customers via the Yukon, British Columbia and Alberta. The 2,784-mile line, corner of BC. In addition it is expected to cost over \$10bn. It is finally selected over a rival, but Yukon might devolve to BC.

One industry source suggested that from pipeline-related development of about \$30m. a year currently in the province there could be a jump to something over \$1.2bn. during the construction span of the line, which has been given an estimated completion date at the earliest of 1983.

John Griffiths

for the line 500 miles of which will run through the north-east corner of BC. In addition it is expected that much of the construction for the line will be done in BC. One industry source suggested that from pipeline-related development of about

\$30m. a year currently in the province there could be a jump to something over \$1.2bn. during the construction span of the line, which has been given an estimated completion date at the earliest of 1983.

# Prominent role for coal

TO BRITISH COLUMBIA its coal reserves mean much more than a partial insurance against energy shortages in the long-term future: the export industry which has grown up in the past eight years promises to play a dominant role in the province's economic revival.

Last year nearly 9m. tonnes of coal worth \$C300m., virtually all of it metallurgical coal for export to Japan and the other Pacific Rim countries, was produced despite disruption of production by labour stoppages over federally imposed wage-price controls. This year, although demand is not so buoyant because of the worldwide slump in the steel industry, those values should be at least maintained.

As the heavyweights of the BC coal industry, notably Kaiser Resources and Fording Coal, look aggressively abroad for new markets, the long-term prospects look encouraging for coal to become BC's dominant export by the 1990s. "Quite simply, we don't know how much coal we have got," one industry source declared. But an inquiry set up by the Government last year into the industry's potential inspired confidence that supplies are adequate for a growth in production to some 35m. tons annually by the mid-1990s.

That period was to provide the coal companies with a firm base from which to cope with the somewhat sterner realities of reduced demand facing the industry today. "We just happened to be in the right place at the right time," Kaiser Resources president Edgar Kaiser readily admits. Those realities are that Japanese are currently taking their minimum deliveries on their long-term contracts, there is stiffening competition from Australia in the Pacific Rim arena, and there is the prospect of a challenge from China. The rise of the industry has

## Stern

felt it can hold its own under present conditions, and even go better given changes in taxation policies and transportation facilities. Although a prime reason for the current absence of new mines going on stream is simply an inability to sell more immediately, the industry also remains anxious over taxation levels. One industry source bemoans a total federal-provincial taxation burden of 86 per cent., reckoned in aggregate, to 10 per cent. over the level paid by the Australian industry. There is also increasing concern at the lack of a competitive

deposits lie only 100 miles or so from deep-water ports. British Columbia's coal reserves currently mined are mostly in the south-east corner of the province, 600 to 700 miles from the coast through the Rockies, some of the most difficult terrain in the world.

The threat from China is perceived as coming from a combination of the new openness to foreign trade which appears to be emerging as a hallmark of the new administration, the country's extremely large coal deposits, its closeness to other Pacific markets and its position as a potential consumer of finished goods produced by those markets.

Nevertheless the BC industry feels it can hold its own under present conditions, and even go better given changes in taxation policies and transportation facilities. Although a prime reason for the current absence of new mines going on stream is simply an inability to sell more immediately, the industry also remains anxious over taxation levels. One industry source bemoans a total federal-provincial taxation burden of 86 per cent., reckoned in aggregate, to 10 per cent. over the level paid by the Australian industry. There is also increasing concern at the lack of a competitive

despite having the biggest energy supply problem of any country, B.C. is also providentially energy conscious. Notably it is expected natural gas usage in the industry will increasingly be replaced by wood waste-burners, both for steam production and possibly for conversion to low grade gas. A number of forestry companies are looking into systems at individual levels, and provincial and federal studies on the subject are in progress. On a more peripheral note, Vancouver's inhabitants equip infra-red photographic equipment to help them see the heat loss from their poorly insulated houses and expect some time there to knock on the door by offering a \$500 loan at cheap rates for the "save-it" campaign.

railway system and at escalating railway costs. "What is needed at the moment in the transportation industry is a fundamental change of philosophy, in that all products moving by railroad should pay a fair share of costs. At the moment, the coal industry is subsidising the rest of the transport network. That's fine for today, but it doesn't exactly guarantee a coal industry for Canada in 20 years time," Kaiser observes.

## Cheaper

The industry asserts that to get coal to eastern Canada at the moment, it is cheaper to ship it to the West Coast, take it south through the Panama Canal and back up the East Coast of the U.S. rather than rail it directly east to Lakehead. In fact hardly any Western coal moves in that direction, and there is little expectation in the B.C. industry that it will ever be able to compete as a supplier with eastern U.S. mines. Nevertheless, this is a school of thought that is in Canada's best interests: develop at least some low thermal coal for domestic energy use as a political safeguard against too heavy reliance on the U.S.

Although the bulk of waste complaints about discriminatory freight rates between east and west have come from the Prairies and concern shipments, there have been a number of inquiries and Royal Commissions into the subject. The two latest, both a few months old, were produced by the Hall Royal Commission report on Grain Handling, the other as an Economic Council of Canada study. Both reached the same conclusion: that western development has been retarded by the freight rate structure. So far, however, there is little sign that federal government might move to take any post-action on the subject.

Nevertheless, if expansion to go ahead, major changes to the transportation network have to come. Last year's vicinal task-force report called for some \$300m. to be needed over the next 15 years to upgrade existing facilities cope with the increased volume of coal. On the other hand, an environmental report awaited this month on plans to enlarge the 50-acre coal port of Roberts Bank, 11 miles out into the Pacific, is fed 24 hours a day by mechanically unloaded trains. Kaiser's Sparwood mine miles inland.

For the immediate future, most of the coal mined will continue to come from south-east of the province. It is the vast reserves in north-east, in the Peace region and beyond, that to make the long-term of the industry really so despite the considerable cost of bringing it to the coast. \$C10m. study on the subject being carried out jointly by province and the Federal Department of Regional Economic Expansion. In the meantime, Denison Mines already signed a letter of intent to sell Japan 5m. tons a year from its Quintette holdings region.

However, unless conditions in the world market change better sooner than expected, really wholesale demand of the deposits is not for some time to come.

# Comprehensive studies of energy sources

THE AMOUNT of coal currently being used for domestic energy in British Columbia is negligible, given the province's existing abundance of hydro-electricity and to a lesser extent natural gas. But as hydro projects become more expensive, it is to be expected that more thermal coal, of which the province has also large quantities, will be brought into play. Latest estimates of the growth of B.C. energy requirements vary from a low of 6 per cent. a year to about 8 per cent. B.C. Hydro, the corporation responsible for hydro and its development in the province, estimates that while 50 per cent. of potential hydro capacity in the province remains untapped, the escalating costs involved through increasing remoteness and difficulty of sites will encourage greater use of alternatives.

Along these lines it has already carried out comprehensive studies for electricity generation from a thermal coal site it owns at Hat Creek, some 120 miles east of Vancouver. It estimates that for a development cost of some \$850m., the plant could provide an output of 2,000 MW, or about one-third of the province's current requirements, over a life of between 30 and 40 years. The picture is also relatively bright in the long term on the natural gas front, despite com-

petition from neighbouring Alberta to attract exploration. Current B.C. Energy Commission estimates are that the province contains enough natural gas to meet anticipated residential needs until well into the next century. At the moment, however, exploration is only just picking up again after several years of depression, and new finds being brought on stream at the moment are just about matching current depletion levels of some 4bn. cubic feet a day.

Exploration has received a boost from a two-level field gas price in which a higher price is paid by B.C. Petroleum Corporation, the agency which markets all provincially produced gas, conditional on the difference being ploughed back into further exploration. The exploration, in effect, becomes free.

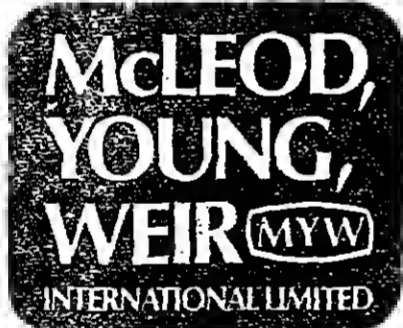
Oil is the one resource with which B.C. has not been blessed in quantity, and the province remains very much dependent on outside sources for its 150,000 barrels per day consumption. Some 35,000 barrels per day are produced from domestic wells, and some exploration is continuing. However, most energy industry experts appear to agree that there is little prospect, on geological grounds, of further substantial finds inside B.C.

Currently B.C. is importing about 110,000 barrels per day from Alberta, by a pipeline out of Edmonton to be refined at coastal installations in the south-west corner of the province at Cherry Point. However, Alberta has already indicated that at projected depletion rates of conventional reserves, it will have no oil left for shipment beyond its borders much after the mid-1980s.

## Alternatives

This leaves B.C. with two principal alternatives. It can update its coastal refineries to cope with the heavy Alaskan crudes which is now being carried south by tanker under the province's nose—there are in any event several pipeline proposals for shipment of oil through the province to U.S. Mid-West refineries which would make landing of the oil necessary anyway. Or it can pin its hopes on Alberta finally bringing oil from its vast Athabasca oil sands reserves to the market at an economic price. Should this prove feasible, and extraction problems remain very intractable technologically, B.C.'s oil supply problems are solved by two fronts. Since the oil would be shipped in by existing pipelines, it means we would have exported the environmental problem as well," said one industry source.

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# Stimulus for forestry

BRITISH COLUMBIA'S historic problem-plagued forestry industry might not yet be out of the woods; but, with a recent important stimulus from the most amicably negotiated wage settlements in the industry, the gloom is rapidly lifting. A number of fronts in an industry that remains the cornerstone of the provincial economy.

The Province's largest employer, providing jobs for 85,000—or nearly 10 per cent of the labour force. It accounts for over 50 per cent of exports by value.

When the forestry industry catches a cold—and it is over from one that has lasted over two years—the rest of the Province suffers accordingly.

workers, with average pay before the latest settlement of nearly \$10 an hour, have enjoyed earnings between 15 and 20 per cent higher than their American counterparts. The three BC unions representing the various sectors came to the bargaining table in April with demands totalling about 30 per cent. For their part, the employers were intent on a settlement providing less than the three-year deal signed in the American industry, which gave workers yearly increases of about 10 per cent.

In the past—and BC forestry labour relations in the past can at best be described as poor—a strike would have been regarded as inevitable.

Woodworkers of America, whose 30,000 membership is involved in mainstream timber-cutting operations.

But the IWA negotiations are traditionally the pattern-setter for the industry, and the pulp and paper and plywood workers are expected to fall into line with similar deals soon which also lie just within the borders of the AIB guidelines. Thus, the industry is starting to feel that it can look forward to a rare, two-year stoppage-free period.

This relative calm on the labour scene should provide a welcome spur to the forestry companies to step up the level of capital investment, notable chiefly by its absence in the past three-and-a-half years. Depressed markets, high inflation, high labour costs and, to some extent, uncertainties created during the free-spending three years of the socialist New Democratic Party administration, have all contributed to the past reluctance to invest. But things are changing.

Mr. Bennett's free-enterprise Societies have thrown most NDP policies into reverse since taking power, but like other sectors of the provincial economy, the forestry industry is still smarting under the average 15 per cent extra corporation tax slapped on by the incoming Bennett administration in a (some say) too hasty drive to claw back a deficit left by the NDP officially put at \$140m. As a result, BC forest companies face an aggregate federal/provincial tax take of 48-50 per cent, against a level of 35 per cent in the U.S. Pacific North-West.

The real guts of our problem remains generating, and retaining, the enough capital," insists Mr. long.

East, Mr. Bennett dropped a forestry legislation to be introduced into the provincial legislature soon. The Pearce Royal Commission report on ball was at least half inside the federal court. This, too, should act as a spur to further investment beyond projects announced in the past few months. These are, notably: a \$450m. investment announced by Macmillan Bloedel, the Province's largest forestry company, to update existing plant and equipment; a \$125m. programme by Crown Zellerbach Canada to modernise its coastal lumber and pulp facilities; and similar but smaller projects by B. C. Forest Products and Canadian Forest products. Some minor sawmill projects are also being initiated by a number of smaller companies.

Whether investment on this scale is adequate to halt the decline in competitiveness, however, seems highly doubtful: Kenneth Shields of investment analysts Pemberton Securities, which has surveyed the industry on behalf of the provincial government, has pointed out that in Washington, for instance, the large Weyerhaeuser concern has been investing at five times Macmillan Bloedel's rate throughout the 1970s.

Pemberton's calculations show that real investment in 1975 and last year dropped to their lowest level for 20 years.

With that kind of record, clearly provincial producers have a lot of catching up to do. Forests Minister Tom Waterland concedes that there has been, and remains, something of an investment crisis in the industry, but feels the industry should be able to cope in the



heart of the industry's ills has been, and is, the loss of its international market. There are a number of reasons for this, but primarily they are high labour and basic costs and a prolonged lack of capital investment in the kind of new equipment installed in considerable quantities by the BC provincial principal American in the Pacific North-West of Washington and

problems have been set against a background of depressed demand for wood products in the industry's biggest market, the U.S. housing market, the U.S. depressed market for the immortant and paper sector, and a static market for plywood to start of the year, with market reviving at last, a major worry was what happened when two-year contracts ran out in the of the year.

In Columbia wood-

**Sensitive**

But this year a settlement has been obtained without a walk-out, no doubt partly because of the impact of the federal Anti-Inflation Board's wage-price controls, which provide a theoretical pay rise ceiling of 8 per cent, partly because, as BC Council of Forest Industries vice-president Norm Dusting puts it, perhaps optimistically, "the inflation psychology is becoming a thing of the past" and, most important, because it is clear that the forestry unions themselves have become more sensitive to the competitive pressures on the industry.

The latest two-year deal adds 60 cents to the \$7.01 base hourly rate in the first year, 50 cents at the start of the second year and a further 5 cents on January 1, 1978. In addition, a number of fringe benefits include a standardised pension scheme for forestry workers across western Canada. The agreement was reached only with BC's contingent of the International

forestry legislation to be introduced into the provincial legislature soon. The Pearce Royal Commission report on ball was at least half inside the federal court. This, too, should act as a spur to further investment beyond projects announced in the past few months. These are, notably: a \$450m. investment announced by Macmillan Bloedel, the Province's largest forestry company, to update existing plant and equipment; a \$125m. programme by Crown Zellerbach Canada to modernise its coastal lumber and pulp facilities; and similar but smaller projects by B. C. Forest Products and Canadian Forest products. Some minor sawmill projects are also being initiated by a number of smaller companies.

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**Momentum**

Construction timber currently accounts for about 50 per cent of forest product export value, and 60 per cent of that production is taken by the U.S. Badly depressed in 1974 and 1975 by the international recession, U.S. housing starts last year staged a 30 per cent recovery to some 1.6m. units, and that momentum is being maintained, with a predicted total for the year of 1.9m. units. After that, according to Mr. Dusting, the outlook is more uncertain with a leveling-off predicted for 1978.

The domestic Canadian market is traditionally the second largest market for BC timber output, but with this market continuing flat this year after a 4 per cent surge in demand during 1976 to 240,000 units, Japan, Europe and other, more marginal countries are proving increasingly attractive to an industry which is in some need of new markets to avoid the cyclical ups and downs of American housing.

To some extent, those markets are being found: most notably by Japan and the EEC—and especially Britain—which accounts now for some 15 per

cent of BC timber production. U.S. housing market—Canadian products remain firmly in the With the rapid rise in the "re-spectability" of timber frame housing in these markets during the past few years, BC producers are optimistic that substantial sales for what is effectively a new end use in these markets are in prospect. In Japan, however, the industry with costs continuing to rise and BC Council of Forest Industries has had some problems in staying competitive against U.S. producers. Two years ago, with the BC industry ailing, the housing market which last year saw the construction of 17,000 Americans managed to grab and hold nearly a quarter of the Canadian market. Given the contraction in Canadian housing starts this year, British Columbia's producers can be grateful for the housing boom south of the border and the weakened Canadian dollar for lessening the pressure of U.S. competition in its own home market.

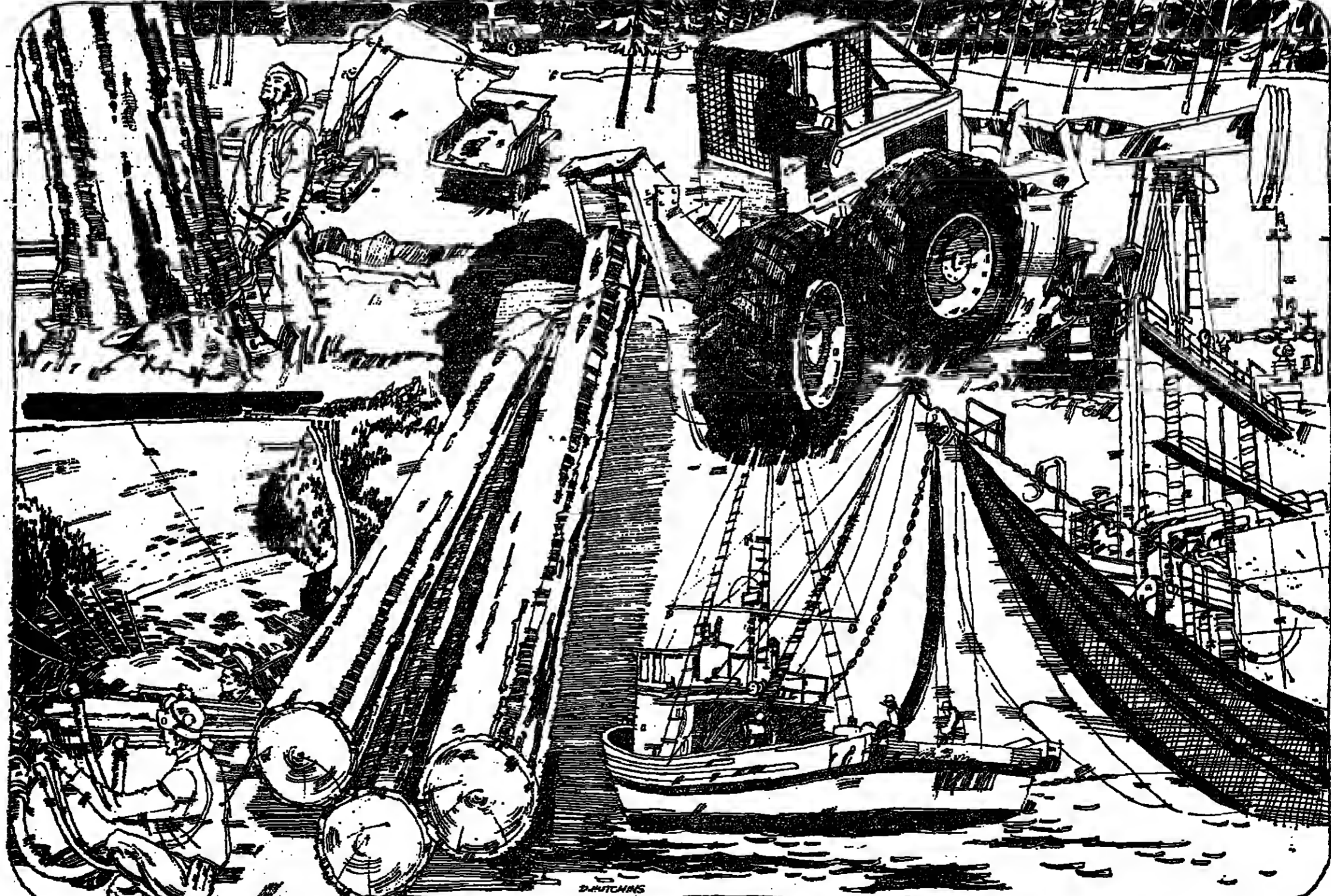
Pulp, paper and associated

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J.G.

BRITISH COLUMBIA IV

Banking expansion

FOR DECADES, Canadian financial institutions, in particular the larger banks, regarded British Columbia and the other western provinces as a Canadian backwater. Branch management, by nature of the fact that head offices were located either in Montreal or Toronto, was limited in both ability and authority.

seven in B.C. and one in neighbouring Alberta, bringing its branch network to 42. Back in 1968, assets totalled a mere \$33.9m, while balance of revenues amounted to only \$291,000. But over those days the bank's executives, drawn mainly from the established banks, have come up with a steady stream of marketing innovations.

Stock exchange sobers up

THE LAST of the Wild West stock exchanges, as Vancouver's large speculative mining board is widely known, is gradually being tamed by the regulatory authorities in an effort to reduce the risks to investors. But the exchange is in turmoil over a succession of new regulations, and there is some question over whether it can survive as a viable facility for what has been its traditional primary function: the raising of speculative natural resources exploration funds.

The Vancouver exchange, with 1,012 issues, the vast majority of them small exploration companies constantly seeking new capital for ventures, became the home of the last of the penny stock exchanges in North America after the regulatory authorities drove it to the nearest competition. In Montreal, out of business following a series of stock fraud scandals in the early 1970s.

Higher Since the stock exchange's boom year in 1968, when \$1bn. worth of securities were traded, business has tended to slip annually. By last year, the value of shares traded had fallen to \$328m. For the first seven months of 1977, however, volume has been running about 15 per cent higher than for the same period last year.

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Municipal Finance Authority of British Columbia
City of Vancouver
Greater Vancouver Sewerage and Drainage District
Greater Vancouver Water District

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Package

The Bank of BC was the first Canadian bank to offer a package plan to its customers who were 65 years and older. Its Western Account, based on a concept developed in California of a package allowing customers a number of banking services for a set monthly fee, was a first and was eventually copied by the other banks once it hurt them financially.

George Froelich

Mining industry remains cautious

WITH ITS foremost product, copper, still suffering from a price slump on a flooded world market, British Columbia's metals mining industry is maintaining a fairly cautious attitude to further production investment, although exploration activity is going ahead at a brisk pace and Cominco, B.C.'s largest copper producer, is continuing with a long-term expansion plan which was first announced in April.

The Cominco project involves a \$425m. upgrading of its mining and smelting operations over the next eight years, as part of which a \$125m. three-year programme to expand and modernise metallurgical operations in the north is already under way. This initial phase includes further mechanisation of mining operations, construction of a modern lead concentrate preparation plant and the first stage of an upgraded zinc refinery to be started in early 1978.

Other mining industry projects in the offing are a copper smelter developed by Afton Mines which is soon to go into production, and a possible second uranium-producing mine to be developed by Noranda Energy Resources of Toronto, which is awaiting further drilling evaluation before proceeding. B.C.'s first uranium Denison Mines to produce 1,000 tons of ore a day on proven reserves of 1.22m. tons, up-graded 1.54 pounds of uranium oxide per ton.

Changes in provincial tax legislation last year have given the mining industry a much-needed stimulus, but the industry's capital has been continuing to decline and is likely to do so for some time yet given that tax levels still remain comparatively high, as do labour costs. Industry sources suggest that if the provincial Government wished to see any appreciable rise in activity short-term, it would be necessary to restore previously existing incentives such as tax-free periods while capital costs are recovered.

Currently, the most popular companies on the exchange are those involved in exploration for natural gas and uranium, although historically the exchange has been a fund-raising place for gold, silver and copper prospects. But copper exploration is virtually dead new due to the low price of the metal and gold exploration is also slow as substantial finds are now required to justify investment in extraction plant.

Despite the odd success story, it seems likely that, as far as current operations are concerned, the VSE's best days are behind it. Apart from introduction of the stricter regulations, inflation has pushed exploration costs to the point where such small companies are finding it difficult to raise enough for their projects on stock offerings.

Progress Despite such upheavals, progress has been made from the slump of 1975. The B.C. and Yukon Chamber of Mines recently predicted an 11 per cent rise in total metal and mineral exploration for the year, which would bring exploration spending in excess of \$50m. for the first time in several years. The province's brightest metals prospect remains molybdenum, where prices and demand are on the rise, helping B.C. to maintain its position as the western world's second largest molybdenum producer.

Meanwhile, zinc demand also remains slack, but lead, silver and gold are steady, with only gold and silver showing any signs of possible improvement before the year's end. Exploration growth is confirmed by the increase in the number of claims recorded in the Province this year. Claim staking in 1976 rose to 28,970 over the previous year's figure of 11,751. While the increase did not come close to the 778,901 claims filed in 1972, the B.C. and Yukon Chamber of Mines are confident the three year claim slump from 1973 to 1975 is over. From January 1 year's repeal of the New Democratic Party's 1974 Mineral Land Tax Act, which charged a royalty on production rather than profits and which the Mining Association of BC asserts is because of the long-term prospects, according to Mr. Bob Mathew, president of the Mining Association of BC, but "significant improvements could be years away."

A FINANCIAL TIMES SURVEY

CANADA

NOVEMBER 21 1977

The Financial Times is preparing to publish a survey on Canada. The main headings of the proposed editorial synopsis are set out below.

INTRODUCTION The country's unity and Quebec: the Trudeau administration and its electoral strategy.
ECONOMY Moderate growth prospects as controls come off: improving trade balance despite debts.

There will be separate articles on the following provinces: QUEBEC THE ATLANTIC PROVINCE ONTARIO MANTOBA AND SASKATCHEWAN ALBERTA BRITISH COLUMBIA

and on the following industries: ENERGY ALUMINIUM STEEL PETROCHEMICALS and more.

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1977-1978

Season

LE ROI DE LAHON by Massenet. In French. Cast: SUTHERLAND, TOURANGEAU, STEV, MORRIS, OPPHOFF, MA

Conductors: BONYNGE/GAMLE SEPT. 23\*, 25\*, 28\* OCT

LA FILLE DU REGIMENT by Donizetti. In French. Cast: SUTHERLAND, CUCCHARO, CLARK, LO

Conductors: BONYNGE/GAMLE SEPT. 30\*, OCT. 2\*, 5\*

DON GIOVANNI by Mozart. In Italian. Cast: SUTHERLAND, CARIAGA, TOURANGE

Conductor: BONYNGE OCT. 7, 12, 14, 16

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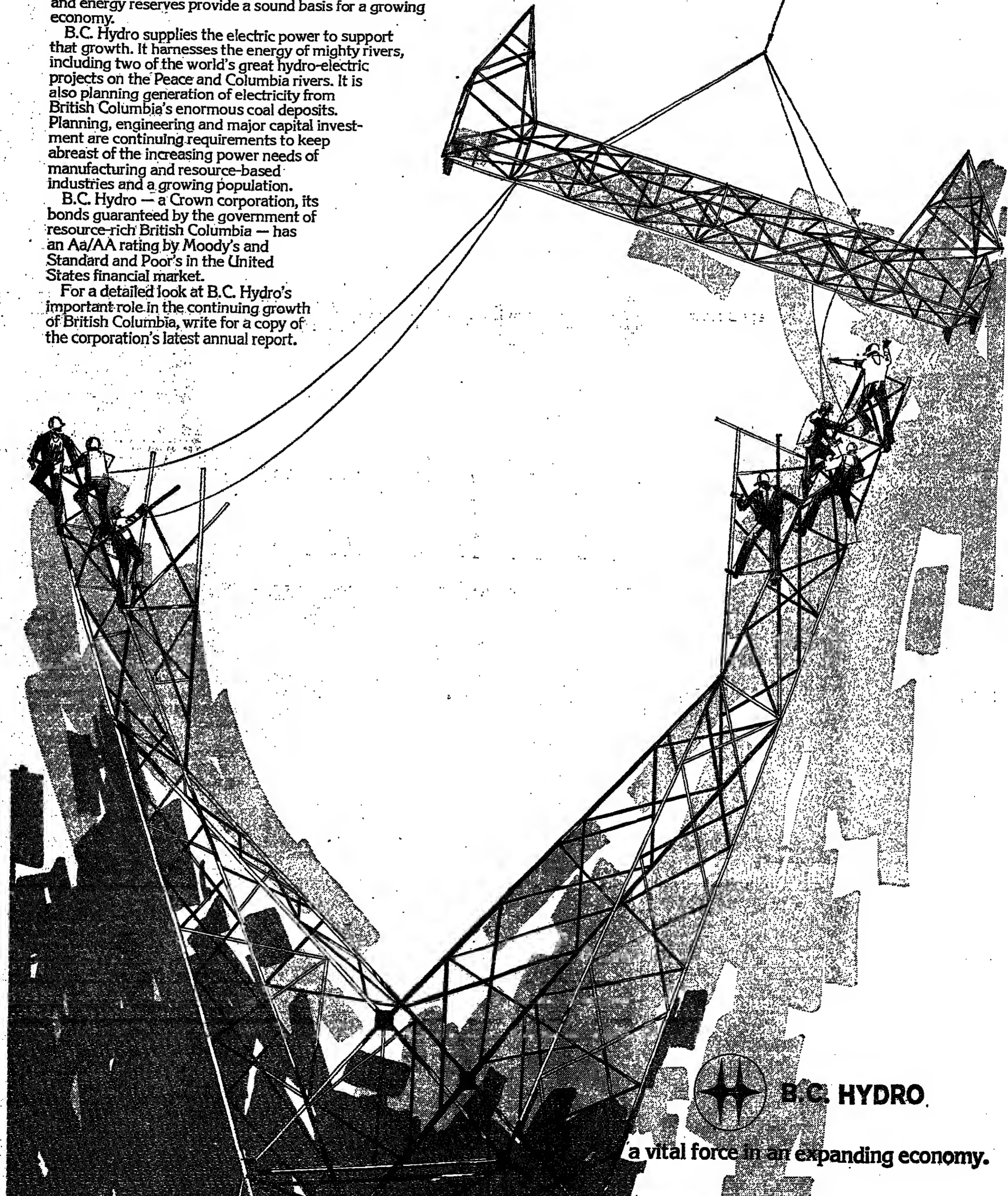


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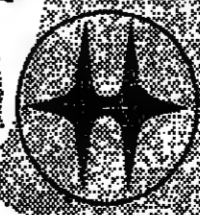
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# Upturn in fishing

GOOD FORTUNE has crept up suddenly on British Columbia's fishing industry. Plagued in the past by dwindling stocks, hampered by cautious creditors and labour strikes, the fishing industry traditionally had always looked to the future with uncertainty.

But in the past two years there has been a remarkable revival of fortunes: the industry has been virtually untouched by labour strife; a near-disastrous 1975, during which the total catch plummeted to \$79.7m from \$101m, was followed by a record catch of \$142.9m in 1976—and it now looks as if the industry is heading for another record this year.

But perhaps most important, the longer-term future of the industry looks much brighter as a result of the 200-mile limit declared by the federal government on January 1 this year.

In some areas along the coast, fishermen have been enjoying the heaviest runs of salmon—the mainstay of the industry—on record. B. C. Packers, the Province's biggest fishing company, reported an increase in gross profit for the first half of 1977 up 34 per cent over 1976—or in dollar terms from \$7.7m in 1976 to \$10.4m in 1977. Net income for the first half climbed correspondingly to \$4.4m, in 1977 from \$2.2m, in 1976. B. C. Packers' vice-chairman, Mr. Bill Harrison, clearly understated the case when he said: "It will be a reasonably good year."

But the best news for the fishing industry has come from Canada's federal Government. In an act demonstrating Ottawa's commitment to the growth of the industry, federal Fisheries Minister Romeo LeBlanc announced first the 200-mile limit then, in May of this year, the

creation of an extensive salmon development programme.

The programme, Mr. LeBlanc said, would be undertaken in two stages. The first, costing approximately \$150m., entails the construction of rearing ponds, hatcheries and artificial spawning channels over a six-year period. The second is a longer term programme, involving an annual investment between \$30m. and \$60m. per year, of assorted enhancement techniques through which fisheries experts expect to more than double production by the 1980s, from the present-day level of 145m. lbs to a projected 335m. lbs. In dollar terms, salmon comprise about 65 per cent of the total worth of the industry. Mr. LeBlanc said his department hopes to create about 6,000 jobs during the programme, with a high proportion of these going to natives.

## Enhancement

Mr. Ron McLeod, director of the enhancement programme for BC, estimated that approximately 170 projects worth more than \$250,000 each would be completed during the programme with "several hundred minor projects" of less than \$250,000 scattered around the Province. "No doubt about it," one fishing consultant said, "it's good news for the fish companies."

Experts believe that the programme, if fully successful, should restore the salmon to the levels prevailing before full-scale commercial fishing first got under way. They hope also that it will eradicate the large fluctuations in salmon numbers the industry suffers from year to year. The recent

pattern has been only two good annual salmon "runs" every seven years.

While salmon has traditionally been the number one money-making fish for British Columbia, herring has shot up from nowhere to second place in just five years, and now comprises 16 per cent of the B.C. market.

Virtually the entire catch of herring is exported to Japan as roe. The roe industry rocketed to prominence in the industry two years ago, when the Japanese overfished their own stocks almost to the point of non-existence and bought up everything B.C. fish companies had to offer. In 1976, record herring landings of 89,402 tons surpassed all catches since 1966, and were worth \$23.4m. to fishermen.

Since herring are fished in February and March, as opposed to summer and early autumn for the various salmon runs, the herring fishery has helped the industry to become less cyclical and more stable.

However, the overfishing of their own stocks has caused the Japanese to make another impact on the Canadian fishing industry: they are buying their way into it. Though no one is willing to name specific companies, it is common knowledge among industry leaders that the Japanese are either buying small independent companies outright, or extending loans to them in exchange for a guaranteed supply of fish.

Another fishery that might see some growth in the long-term future is the deep-sea groundfish catch out past the 12-mile national limit but inside the new 200-mile economic limit. Again, with the guidance

of the federal Government, the fishing industry is taking its first timid steps toward supplanting the large foreign trawler fleets that have traditionally fished outside the 12-mile limit for such fish as hake and dogfish, hitherto lowly regarded in the Canadian market. To do so, the federal fisheries and marine branch of Environment Canada is preparing to allow one or two large freezer-type trawlers of Canadian registry to fish between the 12-mile and 200-mile limits. In the past, small prawns and large overhead costs kept large Canadian trawlers from operating so far out.

## Domain

As a result, except for a few small Canadian vessels, the long-distance offshore fishing has become the domain of the Russians, Poles, Koreans and Japanese, who use large refrigeration ships to fish off the coast for months at a time. But there are fish out there, such as rock cod, that Canadian fishermen would like to catch. And fortunately for the Canadians, the creation of universal 200-mile limits has produced a glut of unused, large freezer-type trawlers on the international market. Canadian buyers can pick up these boats at bargain basement prices.

However, stocks are still so low outside the 12-mile limit that the Federal Government will allow only one or two boats to fish the area. Dwindling stocks will also affect the number of foreign fishing boats allowed in the area in the future. Total allowable catches for all species will probably be reduced for 1978, resulting in

fewer foreign boats off BC. Canadian fishermen are looking forward to the day when theirs will be the only boats fishing the waters. "I'm not so sure the stocks are there to expand upon just yet," says Mr. Donovan Miller, president of Canadian Fishing, BC's second-largest fish company, "but the groundfish thing out there is definitely the big potential market for the future. Right now, there is no commercial market in North America for dogfish or hake, but eventually, I see a big expansion in that area."

"First we have to learn how to catch and market that type of fish economically, such as the Poles do, and then, with the 200-mile limit as protection, we'll take the fishery over."

Shipbuilding, the other maritime industry in B.C., is as healthy as the fishing industry is. It is, like the rest of the industry around the world, going through one of the worst slumps it has experienced.

Burrard Dry Dock, the largest builder in B.C., is surviving on repair work and on an order to build two icebreakers for the Ministry of Transport, Yarrow's. Burrard's sister yard in Victoria, is badly in the doldrums, with only 300 out of a normal payroll of 700 still employed.

The federal Government came to Yarrow's rescue when it awarded the yard a \$6.6m. contract for the refitting of the Canadian armed forces replenishment ship Provider. The rest of the half-dozen yards in Vancouver are either finishing up small orders, living off sporadic repair work or desperately casting bids about for more work.

Peter McMartin



Skiers on Whistler Mountain. With its cold northern climate, skiing is a popular sport in British Columbia.

# Attractions of tourism

WHEN IT comes to tourism attractions, British Columbia has almost an embarrassment of riches. Thousands of square miles of Rocky Mountains crowd almost to the suburbs of the province's largest city, Vancouver, perched on the edge of the Pacific. There is an abundance of wild life, fishing and shooting. In the winter, one can almost ski off Grouse Mountain's illuminated run into North Vancouver itself. Further inland, there is a wealth of top-rated resorts.

It is thus small wonder, perhaps, that tourism represents British Columbia's third-largest industry, behind forestry and mining.

Last year, tourist revenues just topped the \$1bn. mark, accounting for 5 per cent of gross provincial product. The majority of the money, some \$367m., was spent by B.C. residents touring their own province.

but other Canadians contributed \$307m.; some \$286m. was spent by Americans and \$50m. came from overseas areas, notably Japan and Europe.

This year, a further upswing is expected by the Ministry of Travel Industry in the absence of such large-scale rival attractions as last year's Olympic Games and the American Bicentennial.

Figures just released for the first quarter of 1977 show a leap in motel occupancy rates by nearly 9 per cent over the same period of 1976 and an increase of nearly 12 per cent in restaurant sales. The picture is not quite so bright in the downtown hotels sector of Vancouver where occupancy rates have dropped as low as 53 per cent, in an area which has seen some overbuilding of capacity in the seventies.

So far fears which have been voiced increasingly frequently of late, that high labour and

food costs are in danger of pricing the industry out of market, do not seem to have been justified, although depreciation of the Canadian dollar level some eight cents below its U.S. counterpart has helped mitigate the different price levels prevailing north and south of the border.

A considerable promotional campaign has been undertaken by the Ministry, and notably by its Minister, Mrs. Grace Carthy, who combines the duties of the Deputy Premier of the Province. It has included train tours of California, Oregon and Washington states, a number of ventures in East Canada and the Eastern U.S.

Increasingly, more conveniences, and there are out plans for a full-scale convention centre for Vancouver, although they have yet to assume shape on location or financing.

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# Behind the scenes at the Blackpool panto

It is a pity that the TUC's reactions they could not predict. It is a pity that the TUC's reactions they could not predict. It is a pity that the TUC's reactions they could not predict.

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Mr. Callaghan acknowledges a standing ovation at the Blackpool Congress.

**Expulsion**

Even the experts, I find, are in fundamental disagreement about the significance of a lot of this week's events. Take for instance the relatively trivial question of the brief expulsion of the Transport and General Workers which caused such a furor on Monday. The naive observer rapidly uncovers a consensus among the experts that this incident represented the boiling over of a widespread feeling of fear, envy and degradation of the TGWU in the trade union movement as a whole (a factor, incidentally, which the political world has heard very little during the last six years of Mr. Jack Jones' ascendancy and which, if it had been known, might marginally have affected

Will it actually result in the resumption of the beer-fuel in the "Fox and Goose"? Nobody dare predict.

Again, what are we to make of Mr. Hugh Scanlon's escapades? Everyone seems to be agreed that, legally speaking, he was on very thin ice when he cast his union's block votes for the twelve-month rule. But does the now portend a refusal of the engineering union to honour its vote? Does it even mean a future change in the union's rules or a shift in the internal balance of power within that union? Here too the experts are hopelessly divided. As well as one is told, the AGEW has always been a law to itself. The trouble is that they are

putty and he planned on that basis. The final burial of these hopes at Blackpool has evoked a chorus of "we-told-you-so's"; but it is worth noting that there is no real agreement even among experts about how nearly a Phase Three was brought off.

One of the great academic pundits assured me this week that if the Chancellor had not mishandled his personal relations with the unions and had been prepared to compromise on reductions in indirect taxation, he might well have succeeded. A senior trade unionist with no particular axe to grind retorted that nothing the Government could have done would have over-ridden the institutional needs of trade

union leaders, which required a choice of either being brought down by the Liberals in the middle of a period of deep unpopularity or being deserted by the union cohorts at a later date, as the Wilson government was in 1969/70, now appears to have receded.

much pressure from the rank and file for high wage settlements there will be in the next six months. Again, the experts vary, though common sense suggests that even if inflation falls rapidly during the autumn and winter, a few inflationary settlements either in the private sector (the motor industry?) or the public (the police and the armed services?) could cause the dam, such as it is, to burst.

In this situation, we would have to expect either some spectacular government cave-in causing Lib-Lab troubles or corrosive strikes which would sweep away the last vestiges of the social contract and which raises the next problem—which is that when one comes to think about it, there is not much of the social contract left in any case. The Prime Minister listed some of the goodies produced for the union movement by the legislation of the last three years but gratitude is notoriously fickle commodity in politics and there is an important question to be answered about what the Labour Government has to offer in the future.

**Letters to the Editor**

**Turky dawn for pensions**

The *Financial Director*, Mr. Eric Short (Survey on April 6) says that the dawn is the dawn of a new pension. For many, this is not going to be too long. So far, the OPB has granted 30 certificates. At one large insurance company suggested to me that the dawn, some 15,000 could find themselves in an OPB bottleneck, with others paying State contributions and their share of schemes, a situation that will alter until the OPB can exemption certificates, as well as that legislation embolden participation will through the next Session, but it would be a mistake to think that the pension activity was being dented on pensions. Many still have little experience of the pension movement or are now becoming increasingly active. The *London Municipal Workers' and ASTMS* are running courses and reaching out to potential union members with the *ASTMS Journal* that hundreds will ded to form a pension fund. It is not surprising that are going to push hard for their pension. They look upon funds as guardians of their money, and feel Britain's main criticism. This is the idea of voluntary (mistakenly) recognises 5 per cent as the true money implications can be revealed and preferred as "generous".

**Samuel is alive and well**

From Mr. Peter Lilley.

Sir—In his letter of August 31, Dr. Neild defends his plan for enforced indexation of a uniform 5 per cent wage increase by casting doubt on the existence of Samuel Brittan. Dr. Neild would appear to have mistaken Mr. Brittan's temporary absence on holiday for permanent disappearance—a confusion of short and long-term effects which bedevils Keynesian thinking. However, even if Samuel Brittan did not exist, it would be necessary to invent him—if only to correct Dr. Neild's wildest proposals. In his reply, Dr. Neild managed to ignore entirely Mr. Brittan's main criticism. This was that the idea of voluntary (mistakenly) recognises 5 per cent as the true money implications can be revealed and preferred as "generous".

**Representatives abroad**

From Mr. A. J. Whysall.

Sir—Can we continue the debate on the Central Policy Review Staff on Overseas Representation, as much of the editorial coverage devoted to this subject has tended to distort the important themes and recommendations of the report and only highlighting the more sensational aspects as affecting the lives of our Ambassadors and their residences and aspects of entertainment.

**To-day's Events**

Final day of Trades Union Congress, Opera House, Blackpool.

Ford expected to announce site for its "New European" engine plant.

Malaysian Finance Minister meets in London Chamber of Commerce and Industry, meeting of Greater London Council and businessmen addressed by Mr. Mervyn George, chairman of the GLC Industry Committee, Cannon Street, E.C.4.

Commission for Local Administration in England annual report for 1976-77.

Quarterly meeting of North of England Development Council, Newcastle Civic Centre—guest speaker, Signor Antonio Giolitti, EEC Commissioner responsible for regional policy.

**Incentives to investment**

From Mr. Stewart S. Cohen.

Sir—The Prime Minister has hinted at the TUC Conference that inflationary methods are in the pipeline for the autumn. It is to be hoped that short-term political considerations will not result in a consumer-led boom but that the Prime Minister will continue his statesmanlike policy of promoting those measures likely to be in the long-term interest of the economy.

**Attitudes**

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COMPANY NEWS + COMMENT

LMS advances by £1.6m. to top £6m.

AFTER RISING from £2.06m. to £2.63m. in the first half, pre-tax profits of London Merchant Securities finished the year to March 31, 1977, ahead from £4.83m. to £6.07m. on turnover of £82.11m. compared with £71.34m.

HIGHLIGHTS

Profits at Bowater are 42 per cent higher at the half-way stage but the trading outlook looks dull with Swedish Pulp and the U.K. furniture sectors the two main weak areas but the massive capital expenditure programme is being maintained.

Stewart Plastics £0.3m. rise

INCLUDING INTEREST receivable of £247,800 against £174,500 for the year to April 30, 1977, rose from £1.21m. to £1.52m. At half-way the advance was from £0.53m. to £0.87m.

pointer to the results for the year. Profits for 1976 reached £1.53m. First-half earnings are shown to be ahead from 7.9p to 11.3p per 25p share and the interim dividend is lifted from 1.117p to 1.247p net.

Upturn at Wagon Industrial

A MARKED improvement in sales and profits is forecast by Mr. Leslie Smith, chairman of Wagon Industrial Holdings, for the current year. An encouraging start has been made.

Advance by Wilson Connolly

INCLUDING A surplus of £338,000 (£51,000) from the sale of properties held as fixed assets, pre-tax profits of housing estate-builders, etc., Wilson (Connolly) Holdings, for the year to April 30, 1977, rose from £803,000 to £1,183,000 for the first half of 1977.

comment Results from London Merchant Securities' industrial subsidiary, Carlton Industries, published in July, showed profits up 47 per cent, to £7.8m. despite the adoption of a more cautious accounting system at the householder's Chamber.

Office Equipment from Rubery Owen. The chairman believes that the company is capable of substantial growth. An analysis of the profit shows material handling and storage £1.77m.; transport services £0.82m.; general engineering £0.29m.

Progress at Gibbons Dudley

DESPITE LOWER sales of £18.12m. compared with £19.72m., pre-tax profits of Gibbons Dudley rose from £1.72m. to £1.87m. for the first half of 1977 and the director's report full year profits to be somewhat ahead of last year's £2.28m.

comment On sales down 9 per cent, Gibbons Dudley has managed a 9 per cent uplift in profits at half time. With engineering proving the big boost, although turnover fell 12 per cent down by a third, profits rose a quarter thanks to completion of some large long-term contracts.



Lord Eroll, chairman of the Bowater Corporation, who yesterday announced group first-half profits showing a rise of £13.2m.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Correlation of payment, Total for year, Total for year. Includes Ahel Morrall, Bowater Corporation, City and Commercial, etc.

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †Increased to reduce disparity. ‡With Treasury permission, in light of contested bid from Caporo Investments, £1.10 per share also proposed.

Cadbury Schweppes up 17% so far

ON SALES up by 17.6 per cent to £400.3m., pre-tax profits of Cadbury Schweppes advanced to £121.8m. from £103.7m. for the 24 weeks to June 18, 1977.

interim dividend is stepped up to 2p (2.25p) net. Tax took £300,400 (£247,000) and minorities £8,000 (same).

Mr. George Drexler, the chairman, says the results are encouraging and full-year profits are expected to show a continued improvement. For all 1976 sales came to £787m. and pre-tax profits to £46.4m.

comment The trend in the office equipment industry is dull but Ofrex managed to come up with 40 per cent rise in pre-tax profits. On capitalization the stock is in strong export performance. There is a 50 per cent sales of the U.S. market has been most rewarding and sales growth there has been particularly good.

comment The trend in the office equipment industry is dull but Ofrex managed to come up with 40 per cent rise in pre-tax profits. On capitalization the stock is in strong export performance.

Argus Press

In the first six months of 1977, turnover of Argus Press Holdings increased by 10.9m. to £5.87m. and pre-tax profits expanded from £490,000 to £553,100.

comment The trend in the office equipment industry is dull but Ofrex managed to come up with 40 per cent rise in pre-tax profits. On capitalization the stock is in strong export performance.

Abel Morrall Limited. INTERIM RESULTS - UNAUDITED. 6 months ended 30.6.77, 6 months ended 30.6.76, Year ended 31.12.76. Sales 3,392, Profit before tax 293, Profit after tax 139, Profit available for ordinary shareholders 108, Interim Dividend per 25p share 0.576p.

First half increase at Dutton-Forsshaw

DISTRIBUTORS of motor vehicles and construction and agricultural equipment, Dutton-Forsshaw Group, reports profits up from £1.13m. to £1.6m. for the first half of 1977 before tax of £0.83m. against £0.61m. turnover expanded from £33.13m. to £38.88m.

comment The attributable balance is ahead from £396,000 after extraordinary credits of £54,000 to £772,000. Earnings are shown at 4.3p (3.2p) per 25p share. The interim dividend is raised from 0.75p to 1p net on capital increased by the recent two-for-five rights issue.

Bulmer hit by duty: defers investment

BECAUSE OF the devastating effect on sales of the excise duty increase for a repeat of the duty, September, H. P. Bulmer has had to lay off 160 newly-recruited employees and defer £2m. of capital investment.

comment The attributable balance is ahead from £396,000 after extraordinary credits of £54,000 to £772,000. Earnings are shown at 4.3p (3.2p) per 25p share. The interim dividend is raised from 0.75p to 1p net on capital increased by the recent two-for-five rights issue.

Midterm rise by Morris & Blakey

First-half 1977 turnover of Morris & Blakey Wall Papers rose from £5.77m. to £3.92m. and profits increased from £101,483 to £117,376 before tax of £1,036 compared with £82,761. The interim dividend is held at 1.75p net per 25p share.

Islington allotments

London Borough of Islington announces that the issues of £10m. 12 1/2 per cent, redeemable 1983-84 offered at 29 1/2 per cent, and £12.3m. 12 1/2 per cent, redeemable stock 1983-84 offered at 29 1/2 per cent, were oversubscribed.

NORTHERN IRISH DISTRIBUTION

On Sept. 28, Northern Irish and Scottish Investment Trust will make a first liquidation distribution of 30p per share.

DEBORAH SERVICES LIMITED. The group provides a specialist scaffolding and insulation service primarily used in process plant maintenance programmes. GROUP RESULTS. Years Ended 31 March 1977 1976. Revenue £6,720,000 £5,803,000. Profit before taxation £746,000 £608,000. Profit after taxation £330,000 £248,000.

ALLNATT LONDON PROPERTIES LIMITED. RESULTS BETTER THAN FORECAST IN A YEAR OF REDUCED ACTIVITY. The 15th annual general meeting of Allnatt London Properties Limited was held on 8th September, 1977 in London.

PREEDY PROFITS TOP OVER £1 MILLION. Extracts from the statement of Mr. H. L. Preedy, O.B.E., J.P. Profits of £1,074,049 for the year ended 26th March, 1977 (£845,552) have topped million mark for the first time. The total dividend of 1.42295p (1.2797p), is the maximum permitted.

County & District ready to expand

AFTER A period of very difficult market conditions County and District Properties is now in a position to take new steps forward, says Mr. L. W. Mettelle, the chairman, in his annual statement.

Slough Estates. Pursuant to the executive share option scheme, options have been exercised in respect of 21,500,000 shares of Slough Estates, which have been allotted. 23.7% rise for Winston Estates. Pre-tax profit of Winston Estates, the property group in which Eagle Star has a 10 per cent stake, rose from £79,111 to £97,585 for the half year to June 30, 1977.





NEWS ANALYSIS - THE BID FOR CHARRINGTONS

Men knowing the business can form part of the attraction...

BY CHRISTOPHER DUNN



Mr. John Dowling (left), chief executive of Charringtons Industrial Holdings, and Mr. Victor Wood, its chairman.

THE £26m. agreed bid by Coalite and Chemical for Charringtons... The deal was precipitated by an unexpected bid for Charringtons from Laird Group...

side. At a time when demand should be booming because of the spread of smokeless zones in the U.K. a series of mild winters, coupled with uncertain supplies of the special grades of coal needed to make Coalite's blended product, have led the company to shut down one of its manufacturing plants.

Clearly, therefore, if the bid for Charringtons goes through, Coalite will be hoping to push its products more forcefully through the newly acquired outlets.

As a by-product of its smokeless fuel production, Coalite is a substantial producer of specialised chemicals, and there have been efforts to develop this business on a larger scale.

Structure Recent developments at Coalite, which add up to a technical diversification, contrast strongly with what has been happening at Charringtons.

Friendly

Laird never made any attempt to defend its bid on grounds of "industrial logic". Presumably, it saw in Charringtons a means of acquiring a very substantial stake in distribution tin a profitable, though probably contracting, sector.

Joseph Webb sees growth in 1978

H. Wigfall well placed

MR. J. M. WEBB, chairman of Joseph Webb and Co., reports that 1977 bookings are at a reasonably high level and he is confident that in 1977-78 profits will be maintained at least at last year's level.

WITH ITS increased geographical coverage, Henry Wigfall and Son, the Sheffield-based radio, television, domestic appliances and clothing multiple shop-chain, is ready to benefit fully from any improvement in the national trading pattern.

Looking to the 1978 season Mr. Webb is quite optimistic that with the increased capacity coming on stream a further move forward will be forthcoming.

The new outlets acquired traded for some eight months and the group will have a 50 per cent equity holding. During the year the group formed Christie Scapellato (Aberdeen) to take over the assets of the former business carried on by Christie Scapellato.

Abel Morrall ahead 33% at halfway

Second half boost for Deborah

Last year's favourable trend has continued at needle and general smallware manufacturers. Abel Morrall with profits ahead 33 per cent. from £219,833 to £282,749 for the first half of 1977, before tax of £133,950 against £116,365. Sales advanced £0.76m. to £3.38m.

and is expected to become fully profitable by 1978. Reflecting increased competition and the cost of setting up the Aberdeen and Shetland Islands operations, profits of the scaffolding contracting division fell from £238,096 to £188,262. The engineering company operated for only part of the year and resulted in a loss of £5,485.

The directors say that exports reached a record level at 41 per cent. of sales and they expect that the present rate of sales and profits will continue for the remainder of 1977.

As regards 1978 the chairman says that the prospects look good and the group should continue to increase its share of the market.

The interim dividend is lifted to 5.75p (0.51p net) per 35p share - for 1976 payments totalled 2.186p from 2874,231 record profits.

Since the year end the group has acquired interests in two further subsidiaries. The acquisitions comprise a 76 per cent. holding in Deborah Fluidised Combustion and a 90 per cent. interest in C.B. Scaffolding (Shetland).

Statement Page 24

During the year the group spent £1.54m. on additional capital equipment and working capital increased by £165,065. Arrangements have been made with the group's bankers for finance to be available to meet requirements in 1978.

Group turnover £8.0m and trading profits £527,000, increases against the previous year of 44% and 43% respectively.

There was a net outflow of funds at March 31 of £122,539 (£319,713 inflow). Bank borrowings increased by £184,935 to £225,000 and there was an increase in hire purchase instalments of £238,764 to £242,279.

Assets per share increased to 54.5p following changes in treatment of deferred taxation.

Discussion is well advanced for the formation of a joint venture.

Copies of the Report and Accounts may be obtained from: The Secretary, The Graham Wood Steel Group Limited, P.O. Box 230, Green Lane, Houslow, TW4 6BQ.

Statement Page 24

GRAHAM WOOD STEEL GROUP

GRAHAM WOOD STEEL GROUP

Trading profits rise 42.9% in consumer durables

FINANCIAL TIMES REPORTER

TRADING PROFITS of the 238 industrial companies covered in the latest Financial Times survey were up by an average of 26.7 per cent. on the year before. This compares with a 31.9 per cent. improvement shown in the June survey and 24.8 per cent. in April.

Industrial companies' average return on capital employed was 18.5 per cent., against 17.2 per cent. in the June survey.

Within the sectors making up the overall industrial group, the 26 consumer durable concerns saw the largest increase in trading profits, 42.9 per cent. In consumer non-durables, where trading profits were up by 28.3 per cent., the best performance came from the two companies in the toys and games group, where profits advanced by 51.1 per cent. But the five companies in the packaging and paper group were close behind with an increase of 50.8 per cent.

The 67 companies in the capital goods sector averaged a trading profits increase of 23.1 per cent., the best results

coming from the two companies in the machine tools sector, where profits were up 63.6 per cent.

Surveying all the sectors in the industrial area, the worst results—where profits were down on the previous year—were: office equipment (-17.8 per cent.); contracting and construction (-7 per cent.); distilleries and wines (-2.7 per cent.); and food manufacturing (-0.3 per cent.). Apart from these, all but two of the sectors showed positive changes in trading profits in excess of 20 per cent.

The 93 financial companies recorded an increase in trading profits of only 14.1 per cent., compared with 38.2 per cent. last time. The worst performances came from the single insurance broking company—up by 2.3 per cent.—and the 12 property companies, where profits were up by 4.3 per cent.

The seven commodity companies had a trading profit increase of 21.1 per cent. The biggest rise came from the three in the tin sector, where profits jumped by 74.8 per cent.

TREND OF INDUSTRIAL PROFITS ANALYSIS OF 339 COMPANIES

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with preceding year's comparison in brackets) of 339 companies whose account year ended in the period between January 25, 1977, and April 14, 1977, which published their reports up to the end of July, 1977. (Figures in £000.)

Table with columns: INDUSTRY, No. of Cos., Trading Profits (1), % change, Pre-Tax Profits (2), Tax (3), Dividends (4), % change, Cash Flow (5), Net Capital Employed (6), % change, Return on Capital Employed (7), % change, and Net Profit (8). Rows include BUILDING MATERIALS, CONTRACTING & CONSTRUCTION, ELECTRICALS & ELECTRONICS, ENGINEERING, MACHINE TOOLS, MISC. CAPITAL GOODS, TOTAL CAPITAL GOODS, ELECTRONICS RADIO & TV, HOUSEHOLD GOODS, MOTORS & COMPONENTS, MOTOR DISTRIBUTORS, TOTAL CONSUMER DURABLES, BEVERAGES, DISTILLERIES & WINES, HOTELS & RESTAURANTS, LUMBER, FOOD MANUFACTURING, FOOD RETAILING, NEWSPAPERS AND PUBLISHERS, PACKAGING AND PAPER, STORES, CLOTHING AND FOOTWEAR, TEXTILES, TOBACCO, TOYS AND GAMES, TOTAL CONSUMER NON-DURABLES, CHEMICALS, OFFICE EQUIPMENT, SHIPPING, MISC. INDUSTRIAL, TOTAL INDUSTRIAL, OIL, BANKS, INSURANCE, INVESTMENT TRUSTS, PROPERTY, MISC. FINANCIAL, TOTAL FINANCIAL, MISCELLANEOUS MINING, OVERSEAS TRADERS, TOTAL COMMODITIES.

NOTES ON COMPILATION OF THE TABLE The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Official List. Col. 1 gives trading profits plus investment and other normal income... Col. 2 gives profits before interest and taxation... Col. 3 gives the net profit after interest and taxation... Col. 4 gives the net profit after interest and taxation... Col. 5 gives the net profit after interest and taxation... Col. 6 gives the net profit after interest and taxation... Col. 7 gives the net profit after interest and taxation... Col. 8 gives the net profit after interest and taxation...

NATIONAL ACCOUNTS, POSITION EAST BANK, Financial Assistant, MANAGER

ables  
IAL PROFIT  
OMPANIES

# INTERNATIONAL APPOINTMENTS

**\$17,000 Tax Free Operations Manager BEIRUT Credit Cards**

Qualified Banker. Age thirty plus. Experience in credit cards essential. French highly desirable but not mandatory. Rapidly expanding company with excellent career prospects and fringe benefits which include free furnished accommodation, company car and generous leave arrangements.

**MRD**  
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BOYDEN INTERNATIONAL LTD.  
11, 15 ARLINGTON STREET, LONDON, SW1A 1ED.  
LONDON PARIS BRUSSELS GENEVA ROME MILAN  
BARCELONA MADRID TOKYO HONG KONG SINGAPORE  
MELBOURNE SYDNEY JOHANNESBURG AND THROUGHOUT THE USA.

## VICE PRESIDENT IN CHARGE INTERNATIONAL GRAIN TRADING

Important United States grain company with processors throughout the Middle West and export facilities is seeking to expand its direct sales of corn, wheat and soya beans to buyers throughout the world.

## SENIOR POSITION MIDDLE EAST BANK

International Bank in the Middle East seeks leading experienced and qualified person to advise foreign department at their headquarters.

## Financial Accountant The Hague

are a diversified international resource group in an experienced accountant to administer our head office in The Hague. Candidates should have a sound knowledge of international accounting principles to assume responsibility for the Group's office financial consolidation.

## CREDIT MANAGER MILAN

ates must have sound knowledge of US credit analysis and have experience in reviewing Italian financial statements. In addition the potential candidate must be able to demonstrate complete fluency in Italian.

# Head of Corporate Relations

• THIS is a key appointment, in London, with a large UK subsidiary of a major international group. The organisation has a number of diverse companies spread throughout the country.

• RESPONSIBILITY will be for the development and co-ordination of a corporate relations strategy both internal and external. The role includes close liaison with Government, the City, and Industry, as well as effective contacts with the media.

• THE job demands creativity, force of personality, demonstrable skills in communication and marked success in a similar role in an industrial organisation.

• AGE over 30. Terms are for discussion based on a reward package up to £12,500.

Write in complete confidence to P. A. R. Lindsay as adviser to the company.

**TYZACK & PARTNERS LTD**  
10 HALLAM STREET LONDON W1N 6DJ  
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# Stockbroking Partnership

• AN IMPORTANT and highly profitable firm with a wide spread of interests, including Gilg Edged and American business, proposes to invite a Senior Institutional Equiry Partner to join it.

• THE requirement is for a proven sales record and management experience desirably acquired as the Head or Number Two of a strong and successful Institutional team.

• Those who would be interested in this opportunity are invited to write in complete confidence to Sir Peter Youens as adviser to the firm.

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## TAXATION ACCOUNTANT NOTTING HILL GATE

A leading International Group of Consulting Engineers and Architects has a vacancy for an experienced taxation accountant. Reporting directly to the Financial Controller the successful applicant will play an important role in major U.K. and International Tax Planning for Corporate bodies and Partnerships.

Candidates aged 35-55 should have substantial relevant experience and be a member of the Institute of Taxation or hold a recognised accounting qualification.

An attractive salary is offered, and there are very substantial additional staff benefits including an annual bonus from profits, PPP, and non contributory pension fund.

Please apply in writing quoting Ref. 1554 and enclosing a comprehensive CV to:

**N. W. RAMSAY**  
Director of Personnel  
SIR WILLIAM BALCROW & PARTNERS  
Newcombe House,  
45 Notting Hill Gate  
London W11 3JX

## Financial Analysis UP TO £6,500

Our Client is a major British Group with interests in the UK and overseas. This appointment is at the centre, within a small high calibre department, which works closely both with operating Divisions and Parent Company Directors.

Typically, assignments would include acquisition and joint venture studies, capital investment appraisal and analysis of competitive activity. There is a continuing responsibility for the financial aspects of any project until successfully implemented.

Applicants with a well developed financial and commercial understanding could be either accountants or graduates in a numerate discipline. The ability to communicate effectively at all levels in the organisation is of paramount importance.

REWARDS: Salary up to £6,500 depending upon experience, excellent conditions of employment and relocation assistance to Surrey.

Apply in confidence Ref. 568.

**Hales & Hindmarsh Associates Ltd.**  
Century House, 30/31 Jewry Street,  
Winchester, Hampshire.  
Tel: Winchester 62253 (3 lines) (STD Code 0962)

## WORLD COUNCIL OF CHURCHES, GENEVA ASSISTANT GENERAL SECRETARY FOR FINANCE AND ADMINISTRATION

This post carries responsibility under the General Secretary for formulating financial policy, general oversight of finance and administration staff with assistance of Comptroller and Central Services Manager, and for investment operations.

Applicants should have active involvement in Christian Church in addition to technical qualifications and experience. Applications or enquiries should be sent before 30 September, 1977 to General Secretary, World Council of Churches, 150 route de Ferney, 1211 Geneva 20, Switzerland.

## INTERNATIONAL SALES EXECUTIVE

Leading American manufacturer of dissolving and paper-industrial grades of wood cellulose pulp with London office requires representative who is prepared to travel extensively throughout Europe and the Middle East.

Applicants must write and speak fluent English and at least one other European language, preferably German or French. Please reply in confidence giving salary requirements and enclosing complete resume. Write Box A.8065, Financial Times, 10, Cannon Street, EC4A 4BY.

## COMPANY SECRETARY WANTED

Accountant/Company Secretary/Book-keeper and Office Boy for Gull's Bay, St. Kitts, Nevis. Must be a qualified person. Opportunity to take financial interest in rapidly expanding private company. Salary guaranteed plus 2% share in the company if offered.

Apply to A.8068, Financial Times, 10, Cannon Street, EC4A 4BY.

## LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE Chancery Division Group A, Level District Registry in the Matter of VANCOENNE ASSOCIATED INVESTMENTS (RETAIL) LTD. and in the Matter of THE COMPANIES ACT, 1947.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company has been presented to the High Court of Justice in the County of Middlesex at the Royal Courts of Justice, Strand, London, W.C.2, on the 21st day of October, 1977, at 11.15 a.m. and is supported by the affidavits of the said Company and of the said Petitioner in support of the making of an Order on the said Petition. The said Petitioner is directed to show cause why an Order should not be made on the said Petition. Any creditor or contributory of the said Company who has any claim against or contribution to the said Company, or who is entitled to share in the assets of the said Company, should lodge a statement of his claim or contribution, as the case may be, with the High Court of Justice, at the Royal Courts of Justice, Strand, London, W.C.2, on or before the 21st day of November, 1977, at 11.15 a.m. and should file a copy of the same with the High Court of Justice, at the Royal Courts of Justice, Strand, London, W.C.2, on or before the 21st day of November, 1977, at 11.15 a.m.

NOTE: Any person who wishes to appear on the hearing of the said Petition must serve on or send by post to the said Petitioner a copy of his written statement of his claim or contribution, as the case may be, and the name and address of the person or firm or his or her Solicitor, if any, and must be served at a place which must be stated in the written statement. The written statement must be served on or sent by post to the said Petitioner at the address of his or her Solicitor, if any, and must be served at a place which must be stated in the written statement. The written statement must be served on or sent by post to the said Petitioner at the address of his or her Solicitor, if any, and must be served at a place which must be stated in the written statement.

## COMPANY NOTICES

### Ford

BEARER DEPOSITORY RECEIPTS

Following the DIVIDEND DECLARATION by the Company on 14 July 1977, NOTICE is given that the following DISTRIBUTION will become payable to Authorised Depositors on or after 19 September 1977 against presentation to the Depository (as below) of Claim Form (obtainable from the Depository) listing Bearer Depository Receipts.

Gross Distribution per Unit	4.80 cents
Less 15% US Withholding Tax	0.70 cents
	1.40 cents per unit

Converted at \$1.7440 = £0.019495 per unit

DEPOSITORY: National Westminster Bank Limited STOCK OFFICE SERVICES (12nd Floor) 41 LOMBURY LONDON EC2 2 8 September 1977

## ENTERTAINMENTS GUIDE (Cont.)

THEATRES	CLUBS	ART GALLERIES
<b>ST. MARTINS</b> CC 366 2443 E. 8 D. 8.30-10.30 <b>AGNIA CRATICA</b> <b>WORLD'S LITTLEST EVER RUN</b> <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE JOY OF THE JOKE</b> CC 07 776 3007 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00 <b>THE MURKIN</b> Wed 7.30-9.00	<b>THE STRAWWALKER</b> 4.30-11.30 <b>THE GREAT BRITAIN</b> 7.30-11.30 <b>STUDIO 1</b> 8.30-11.30 <b>THE MESSAGE</b> 8.30-11.30 <b>THE GREAT BRITAIN</b> 7.30-11.30 <b>STUDIO 1</b> 8.30-11.30 <b>THE MESSAGE</b> 8.30-11.30	<b>TRUCKERY GALLERY</b> 10-11.30 <b>GILBERT PARK GALLERY</b> 10-11.30 <b>CAMDEN ARTS CENTRE</b> 10-11.30 <b>DUDLEY METROPOLITAN BOROUGH</b> 10-11.30

INTERNATIONAL FINANCIAL AND COMPANY NEWS

AMERICAN COMPANIES Great Western bid goes ahead

BY JOHN WYLES NEW YORK, Sept. 8. GREAT WESTERN United Corporation, controlled by Nelson and Bunker Hunt, the Texas oil millionaire, has announced that it will proceed with its tender offer for shares of the Sunshine Mining Company as soon as possible after September 18.

FRENCH NEWS Industry welcomes Budget measures

BY DAVID CURRY MEASURES to stimulate share holding to spur investment particularly by smaller companies, and to help corporate finances are an important, if undramatic, feature of the 1978 budget unveiled yesterday by the French government.

PARIS, Sept. 8. Making it virtually impossible for companies to raise money through the stock exchange, the budget also improves the tax regime applicable to insurance companies to encourage them to invest in industry. It allows them to charge half instead of the quarter previously allowed for the cost of their investments.

AUSTRIAN BANKING Dr. Karl Vak heads the 'Z'

BY PAUL LENOVAI IN VIENNA THE RECENT reshuffle in the boardroom of the fourth largest Austrian bank, the Central Vienna Savings Bank (Zentralbank der Gemeinde Wien), coincided with a decisive push to the spread of universal banking and to keener competition within the savings bank sector.

German publisher buys IFI stakes

BY PAUL BETTS ROME, Sept. 8. INSTITUTO FINANZIARIO INDUSTRIALE (IFI), the Agnelli family financial holding company which controls the Turin-based Fiat group, has sold a large share of its publishing interests to the West German Bertelsmann publishing conglomerate.

CII Honeywell Bull on target so far

BY OUR OWN CORRESPONDENT. THE FRENCH-BASED Franco-American-owned computer company CII Honeywell Bull, which has just completed the first 12 months of its existing contract, reports that it benefited from a strong expansion of order books in the first half of this year and that its general financial performance is in line with targets established at the time of its creation.

here, is active in trading and manufacturing in the fields of graphic paper, printing machinery, paper and board packaging and foreign sales accounted for nearly 40 per cent of its Frs.1.5bn. turnover in the past year.

CFP's interim profit CIE FRANCAISE des Petroles (CFP), the provincial net earnings over the first half of this year of Frs.88m., down from Frs.95m. in the same period of 1976, CFP, which is France's biggest company, said the poor result was mainly due to the unfavourable prices of petroleum products, especially in Europe.

Buehmann-Tetterode AMSTERDAM, Sept. 8. BUEHRMANN-TETTERODE has increased its first half net profit to Frs. 17.5m. from Frs. 16.2m. in the same period last year on sales which went up to Frs. 737.3m. from Frs. 616.4m., writes Michael van Os.

umbrella institute of the banks, at which a certain portion of the liquidity and deposits of the individual savings banks must be held in its own in the form of a difficult phase of reorganisation in July the purchase of Wien Kredit Treibhandlung Vienna hire purchase firm was finally completed. The bank has 22 branches over Austria, the "Z" in fact, if not in name, a deadly blow in the time-honoured principle, which both the "Z" and First Savings Bank are to operate only in Vienna.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, September 8. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources.

Table with columns: Country, Currency, Value of DLR. Lists exchange rates for various countries including Afghanistan, Albania, Algeria, Argentina, Australia, Austria, etc.

EUROBONDS Japanese \$495m. issues

Twenty-one Japanese companies plan to issue external bonds or European Depository Receipts, estimated at \$495m. in the last quarter of the October-December quarter, securities market sources said, Reuters reports from Tokyo.

Ofrex Group Limited Interim report for the six months to June 30

Sales up - 30% Profit up - 40% Exports up - 50% Group turnover is up to £16,070,000 from £12,405,000, an increase of 30%. Pre-tax profit is up to £1,680,000 from £1,204,000, an increase of 40%.

National Management Game 1978. Sponsored by the Financial Times, The Institute of Chartered Accountants in England and Wales and International Computers Limited.

Ofrex Group Limited Interim report for the six months to June 30. Sales up - 30%, Profit up - 40%, Exports up - 50%.

National Management Game 1978. THE PRIZE £1000 and entry to the European Management Game finals in Sweden.



INTERNATIONAL FINANCIAL AND COMPANY NEWS

مكاتبنا في لندن

AM OPEL RESULTS

GM's baby pays its way

GUY HAWTIN

YBODY expected the West in motor industry to have a year in 1978; but when Opel's management predicted that 1977 would be pretty good, their forecasts treated with some scepticism.

Events have proved—in a sense, at least—that, if Opel's forecasts were in the conservative side, the West German industry produced about 10 per cent more cars than Opel's forecasts were in the conservative side.

be financed from internal resources, although naturally it would be necessary to seek relatively short-term bank financing at peak periods, the extent and timing of which would depend very much on market conditions.

Mr. Waters said that last year the group worked at about 100 per cent capacity—and that capacity was also being fully utilised this year. Sales in 1977 were likely to be slightly up at just over DM8.5bn., against 1976's DM8.9bn. (£2.17bn.), but on the value of the Deutschemark profits side, it would be difficult to reach 1976's record levels.

of diesel engines for the group's cars will be doubled from 1976's 100,000 units. There were already 100,000 units of the "big" work says on the calendar than in the Federal Republic. In Japan's case it was more a result of differences in work intensity.

Opel's management are showing considerable concern over Japanese competition. Japan's motor makers' "good products at relatively cheap prices" were already making inroads in some traditional markets, said Mr. Waters, who added: "Japanese competition is very real and must be taken seriously."

U.S. productivity levels were higher than those in the Federal Republic. However, there were "more" work says on the calendar than in the Federal Republic. In Japan's case it was more a result of differences in work intensity.

Competition from the growing range of U.S.-produced small cars was not expected in the European market until the 1980s, he said. U.S. small cars were very different from European models, which were built with that motorway driving in mind. There were still no signs of a change in U.S. small car concepts.

Table with 4 columns: PRODUCTION, SALES, WEST GERMAN REGISTRATIONS, and 4 rows of data for 1977, 1976, 1975, 1974.

DM8.9bn. (£2.17bn.), but on the value of the Deutschemark profits side, it would be difficult to reach 1976's record levels because of economic conditions.

Timber topples AMIC record

By Richard Rolfe JOHANNESBURG, Sept. 8

ANGLO AMERICAN'S industrial arm, AMIC, has reported a record profit for the year ended 31st March 1977.

AMIC's chief profit earner is the 100 per cent owned Board International which accounted for 37 per cent of the previous year's profit.

AUSTRALIAN COMPANIES

Thiess 12% earnings rise

BY JAMES FORTH

SYDNEY, Sept. 8

THIESS HOLDINGS, coal miner, engineer, vehicle distributor, pastoralist and investor, has decided on a one-for-five scrip issue after a 12 per cent rise in earnings.

Development of proposed major natural resources projects should provide a "much needed impetus".

Profits from operations in south east Asia and Scotland continued to be satisfactory, while building activities made a contribution to group profitability.

Board asked a proposal for the Anglo-Dutch group Unilever to take 75 per cent of the ice cream division of Amisco.

Consolidated operating profit was A\$14m., against A\$13m., before minorities of A\$1.8m.

Revenue totalled A\$290.8m., compared with A\$286.6m.

Despite the higher result the group fared more poorly in the second half when earnings actually dipped 10 per cent, after a 33 per cent rise in the first six months.

Petersville scrip issue

PETERSVILLE, Australia, the largest locally-owned food group, has declared a one-for-ten free scrip issue following a 55 per cent jump in profit for 1976-77.

The directors said the mining division contributed two-thirds of the group's net earnings for the year. But they hit out at the "federal coal export duty, which they said inhibited the expansion of natural resource companies such as Thiess, and state royalties."

Australian Gypsum earnings peak

AUSTRALIAN GYPSUM, the major building products group, boosted profit 32 per cent, from A\$4.5m. to A\$5.9m.

The Board added that internal cost controls and efficiencies helped the profit. The result provided earnings of 11.1c, a fall from 13.5c in 1976-77.

Hongkong Banking move

HONGKONG, Sept. 8

HONGKONG and Shanghai Banking Corp. will take an increasingly active role in the whole banking business in Asia.

Wholesale banking "doesn't require the elaborate branch networks needed for commercial banking," he declared.

Sharjah Group opens in W1

THE SHARJAH Group yesterday formally opened its London office at 49, Park Lane, W.1.

The company is providing numerous proposals for projects both within the Arab world and in Europe and North America.

Sharjah Group has been offered credit facilities in various world financial markets to an amount exceeding \$50m.

Miromit plans U.S. merger

TEL AVIV, Sept. 8

MIROMIT, ISRAEL'S largest producer of solar energy systems, which pioneered the installation of solar domestic water heaters, is planning to merge with its American representative, the Helio-Thermal Corporation of Denver, Colorado.

terminates at K-Aahlen

LIAM DUFFICE

STOCKHOLM, Sept. 8. LEN, the Swedish retail firm, has terminated its agreement with K-Aahlen.

Len's Swedish retail firm, which had been operating in the Netherlands, has terminated its agreement with K-Aahlen.

Len's Swedish retail firm, which had been operating in the Netherlands, has terminated its agreement with K-Aahlen.

DUTCH COMPANIES

AMEV raises forecast

BY MICHAEL VAN OS

AMSTERDAM, Sept. 8

AMEV, THE Dutch insurance company, today declared an interim dividend of Fls.1.50 per ordinary share.

The company added in a short statement from Utrecht today that the total profit for the year ended 31st March 1977 is expected to rise by about 15 per cent from the 1976 level of Fls.60.7m.

In the first half of this year profit amounted to Fls.30.6m., which compared with Fls.17.5m. in the same half of 1976, which had been depressed by damage claims following a storm.

AMEV's pre-tax profit for the life sector was up to Fls.28.9m. (Fls.22.9m.) while accident insurance had shown a Fls.8.4m. profit, compared with a Fls.2.3m. loss, and other activities including investments showed a profit of nearly Fls.6m. (nearly Fls.4m.).

damage insurance to Fls.202m. (Fls.159m.).

Meanwhile, in Rotterdam, the Amflag Insurance Company said it would be paying an unchanged dividend of Fls.2 over the capital which has been increased by 20 per cent after a rights issue.

The company commented that the results from life insurance business had again been favourable, but the results in accident insurance remained under pressure as a result of inflation and the increase in damage claims.

practise premium increases did ease the situation to some extent they were not sufficient to improve the results distinctly.

In line with expectations, the diversification activities had developed well in the past six months and the profit realised was mainly realised in the savings and real estate sector.

The company is paying an interim of Fls.2.04 per share of Fls.10, having also paid Fls.2 of the year before on the capital before its increase by a 10 per cent bonus distribution.

Guthrie BHD half-year loss

BY H. F. LEE

SINGAPORE, Sept. 8

TRADING RESULTS for the first six months of this year from Guthrie Berhad—a subsidiary of the Guthrie Corporation of the U.K.—showed a further deterioration in the group's performance.

For the half year, the group reported a loss before extraordinary items of S\$1.85m., compared with a pre-tax profit of S\$9.09m in the first half of the previous year.

The loss after extraordinary items was S\$2.5m., against S\$268.00m previously.

Guthrie did not disclose details of its losses, but it stated that engineering activities in Singapore and Malaysia continued to be depressed.

operated profitably in the first six months, it added.

Touching on the group's prospects, Guthrie said that remedial action was largely completed in the first half and improved results should follow in the latter part of the year.

SELECTED EURODOLLAR BOND PRICES

Table with columns: STRAIGHTS, MID-DAY INDICATIONS, and various bond prices.

AEJAN HOLDINGS LIMITED

Table with 2 columns: Profit, Dividends per share.

Leonard Tobin, Chairman, reports:-

Despite the improvement in the property market being slower than expected results for the year are satisfactory.

A sharply increasing rental income is anticipated from our portfolio of commercial properties.

We think we can maintain a quiet and steady confidence for the future.

Head Office: 167 Shaftsbury Avenue, London WC2H 9HR

GENERAL MINING & FINANCE CORPORATION LIMITED

INTERIM REPORT TO MEMBERS FOR THE HALF-YEAR TO JUNE 30, 1977 AND DIVIDEND ANNOUNCEMENT

The unaudited consolidated financial results for the six months to June 30, 1977 are as follows:

Table with columns: SUMMARY, BALANCE SHEET, and various financial metrics.

- 1. The year ending 31st March 1977, Carlton Paper Corporation, Hartline and Hudson, Freyja Haddon & Company, Geduld Investments, Kohler Brothers and Sani became subsidiaries of Union Corporation during October 1976, and have been consolidated as from 1 July, 1976.

DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that an interim dividend No. 103 (Company No. 165) of 90 cents per share in respect of the year ending 31 December 1977 has been declared payable to members registered at the close of business on 23 September 1977, and to holders of share warrants to bearer surrendering Coupon No. 175.

The register of ordinary shareholders will be closed from 24 September to 7 October 1977, both days inclusive.

No instructions involving a change of the office of payment will be accepted after 23 September 1977.

The full conditions of payment may be inspected at or obtained from the head office or the offices of the transfer secretaries of the Company.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

INSTRUMENTS

Processes kept in strict control

PYE UNICAM is making available in the U.K. the Philips 124040 microprocessor controlled data logger...

A main unit holds up to 50 channels and there can be up to nine extension units of 100 each...

Results can be conditioned into relevant engineering units and formatted for internal presentation...

Programming is a simple question and answer process using the keyboard and display and the user is told in exactly what...

TELEVISION

Games on the screen

LATEST IN the range of games to be played by plugging controls into the aerial socket of a television set, is Colourscore from Videomaster.

This system, intended for colour TV, provides remote individual hand controls, allowing two players to take part...

For football, random mid-field players are included, and in squash the opponent's hat disappears when a player makes a hit...

Superscore Plus is a console for black and white TV, with the same games as the colour system...

Duoortunes is a venture by Videomaster in another direction...

NORTH SEA OIL

Close watch on the vibrations

UNDER CONTRACT to the Department of Energy, the Seatek Consortium (Hawker Siddeley Dynamics, EMI Electronics and R. and H. Green and Silley Weir) has completed the installation of a monitoring system...

Main objectives of the contract are to establish the continuing integrity of the jacket and its foundations over a period of about two years...

W. S. Atkin and Partners and Atkins Research and Development are acting as consultants to the consortium.

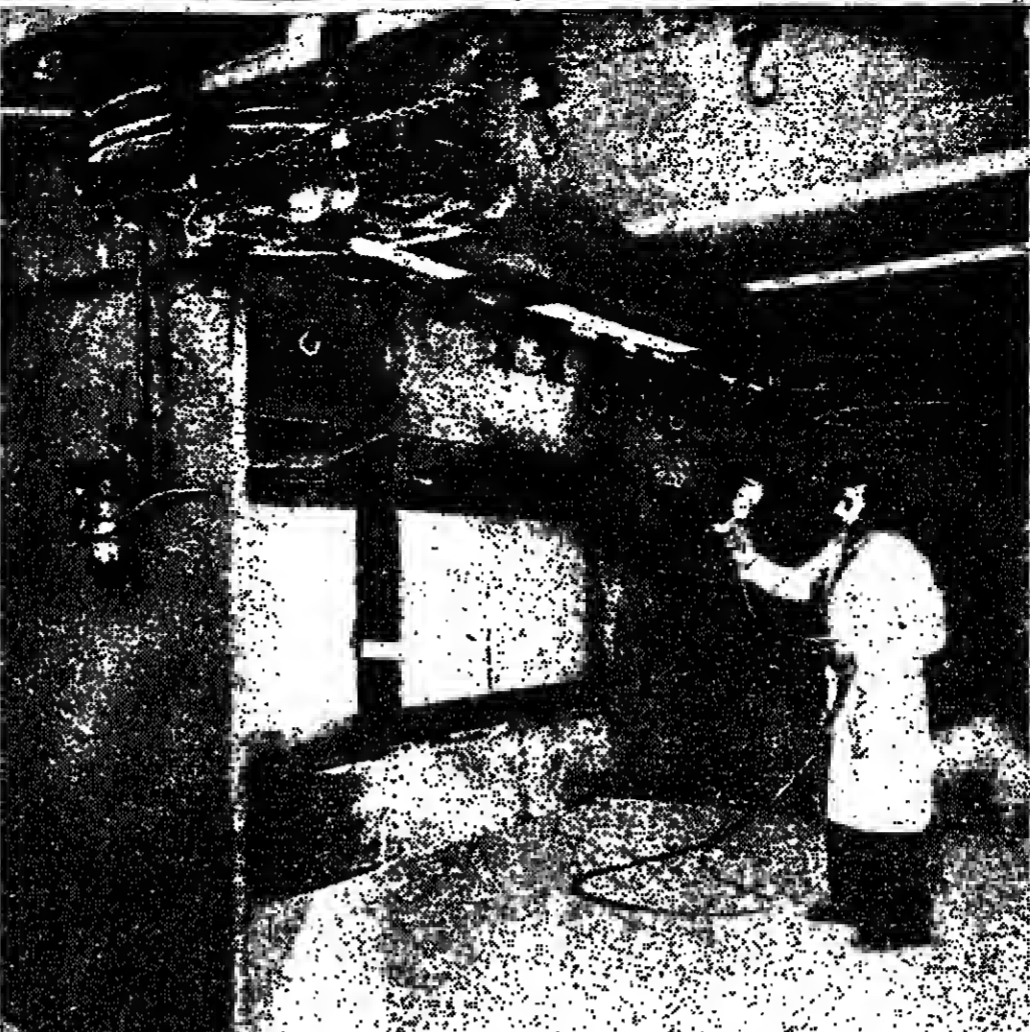
CONFERENCE

Safe use of materials

PROTECTION of the individual both as a consumer and as an employee at work is to be considered at a conference on the safe use of materials...

A safety risk may arise from the mis-use through poor design of material, through the occurrence of an unknown environment...

Details of the conference are available from Dr. G. D. Sims, Materials Science Club, c/o Division of Materials Applications, National Physical Laboratory, Teddington, Middx. TW11 0LW (01-977 3222 ext. 3541).



ENERGY

Heat from compressors

LATEST COMPRESSORS from Howden will provide the works engineer with a complete air-cooled packaged deal for his compressed air requirements...

The aftercooler, with its auto-condensate trap, overcomes the problems experienced with remote moisture traps and inefficient cooling.

Energy recovery from the sets is achieved by harnessing the cooling air discharge from the off-cooler/aftercooler, via a CRF duct, to a heating system...

There are two sets available, both delivering air at 100 psi, one with a 290 cfm delivery and the other with 370 cfm.

Details from Howden Compressors, Godfrey Way, Hounslow, Middx. TW4 5PW (01-894 5500).

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Details from Howden Compressors, Godfrey Way, Hounslow, Middx. TW4 5PW (01-894 5500).

ELECTRONICS

Precision tube supply

FERRANTI has reduced the size of its FSS power supply, designed to drive the focus and beam correction coils...

Now occupying only 88 mm in height in 19 in. racking, the unit has simple access to components mounted on the printed board...

At the same time the electrical specification has been improved. For example, the current stability has been upgraded by application software claims.

The company is also offering "Monitor", a set of three cards (housed in the 16-AS chassis or in a prototyping kit) which basically allows the user to load, examine and dump program and data memories...

At the one-off level, a 16-AS with a single card bay, CPU, 8k of high speed bipolar PROM and 2k of RAM will cost under £2,500.

In the software front the company has supplemented the existing PDP-11-based Micro cross assembler with a new high level assembly language called PL-micro. The compiler for this language is also designed to be hosted on a PDP-11.

The language, which resembles Algol in structure, can substantially reduce the time taken to develop

DATA PROCESSING

Plessey has micro niche

CHOOSING not to meet the U.S. giants head-on in the general purpose micro/mini computing market, Plessey Microsystems has now entered the arena with a fully fledged microcomputer.

The 16-AS, aimed at the dedicated application where processing speed is the governing factor, is based on the Intel 8080 microprocessor.

The system is based on the Intel 8080 microprocessor, a couple of years ago which makes use of bipolar Schottky technique. Now there is a complete set of processor, memory and interface cards.

Details of the conference are available from Dr. G. D. Sims, Materials Science Club, c/o Division of Materials Applications, National Physical Laboratory, Teddington, Middx. TW11 0LW (01-977 3222 ext. 3541).

METALWORKING

Swing arm cutting press

NOW ON show in Paris at the International Leather Week fair (September 8 to 12), is a new electro-hydraulic swing-arm cutting press from Cox and Wright.

Intended for several industries, particularly footwear manufacture (and known in the trade as a clicking press) the machine is available in two models...

Each model can be supplied with a choice of three arm widths: 380, 500 and 600 mm.

PROCESSING

Reversible heat indicator

NEW TO the range of Thermindex temperature indicating paints and devices is a series of reversible indicators.

These are available in self-adhesive strips, in sheets, dots, or tapes and bands for cutting to length. The sheet has 20 circles giving a range of temperature from 50 to 70 deg. C in 5 deg. steps.

The dots cover seven temperatures, 40 to 70 deg. C in 5 deg. steps, and each dot indicates when a single temperature has been reached. The tape has two temperature bands, for 50 to 70 deg. C, or a single continuous temperature band choice of four temperatures: 50, 60 and 70 deg. C.

All these products change colour, or a figure when the selected item is reached. Within the length of the device their original state; the number of cycles is stated to be limited. Applications are in duction and quality control in machinery monitoring.

Details from Synthe Industrial Finishes, Watford temperature bands, for 50 to 70 deg. C, or a single continuous temperature band choice of four temperatures: 50, 60 and 70 deg. C.

A FINANCIAL TIMES SURVEY OFFICE EQUIPMENT

OCTOBER 3, 1977

The Financial Times is preparing to publish a survey on Office Equipment. The main headings of the proposed editorial synopsis are set out below.

INTRODUCTION Debate over the "office of the future" for more than a decade, but technological revolution relatively slow in coming; there are now signs of accelerating progress in many different areas.

THE EQUIPMENT MARKET Size and future trends: comparisons with Europe and the U.S.

WORD PROCESSING Equipment and automatic typewriters can offer large productivity gains: new products and trends.

TYPEWRITERS The change from manual to electric machines is still far from complete. Meanwhile there have been significant developments in electric typewriters and printers.

ELECTRONIC MAIL Likely to replace the conventional letter in many ways: competition with facsimile transmission and teleprinters.

TELEPHONE EQUIPMENT IS changing fast with the spread of electronic internal exchanges and a range of other equipment for internal communications.

ELECTROSTATIC COPYING Continues to provide a large but highly competitive market: the rise of the small general machines and the challenge to the major companies.

NEW USES FOR ELECTROSTATIC COPIERS Prospects and implications of colour copiers: high quality copying and copier duplicators.

DUPLICATING AND OFFSET LITHO Machines continue to be popular and can in some applications provide a good alternative to electrostatic machines: future developments.

ELECTRONIC ACCOUNTING MACHINES Will soon have completely replaced mechanical machines.

SMALL OFFICE COMPUTER SYSTEMS Have been coming down in price for some years. They offer many businesses increasingly sophisticated possibilities.

LARGE COMPUTERS Are being linked more and more to small office systems to provide a distribution network.

PERIPHERAL EQUIPMENT Like disc storage, printers and visual display units are developing fast and are an increasingly common part of the normal office.

IMPLICATIONS FOR OFFICE STAFF Of the computer revolution: for example handling data on magnetic media rather than conventional files and operating interactive terminals.

BUYING A COMPUTER SYSTEM For the first time presents many hazards for the small business.

OFFICE ORGANISATION Has often to be modified to take account of new technology, but the human element must not be neglected.

LATEST THEORIES On the way offices should be organised, distribution of secretaries, merits of open planning and hierarchies.

OFFICE ENVIRONMENT Demands of the law and changing standards of comfort, air conditioning, furniture and ancillary equipment.

THE DRAWING OFFICE Demands specialised equipment like diazo copiers: developments and automation.

AMENITIES AND SERVICES Like vending machines are increasingly important in the modern office.

The proposed publication date is October 3, 1977. Copy date is September 23, 1977. For further details of the editorial synopsis and of advertising rates contact: Robert Marrell, Financial Times, Bracken House, 10 Cannon Street, London EC4A 4BY. Tel: 01-248 8000 Ext. 320. Telex: 885033. FINTIM G.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

3M enters word processing

TO BE launched at the International Business Show (NEB, Birmingham, October 11 to 20), the Lilex 4000 video text editor marks the entry of 3M into the word processing field.

The company claims that simplicity of operation through continuous CRT displayed instructions and large type size, makes the system especially attractive to the first-time user.

Mini-computer based, with a display using floppy diskettes, its facilities are said to be as sophisticated and variable as any other available system.

Text typed and recorded on diskette can be revised, rearranged and printed. Additional programs perform sophisticated routines, such as page make-up. Upgrading of the equipment is stated to be almost unnecessary—the software is continuously updated and made available to both new and existing users.

In various configurations, the Lilex 4000 system can comprise a pedestal/processor, diskette, video screen/keyboard and printer.

Details from 3M United Kingdom, Wigmore Street, London W1A 1ET 101-488 5321.

CORRECTION

Rope meter

IN AN item headed "Measures rope and cable" appearing on this page yesterday (September 8) it was inadvertently stated that the Barnaby meter manufactured by Belford Industries could be set to an accuracy of 25 per cent. This should have read to an accuracy of 25.25 per cent.

By agreement between the Financial Times and the BBC, information from The Teletext Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

Micro firms step out

RELATIVE newcomer to the microcomputer arena, Micro Services, although they may have to wait some time for their disc to be played.

MHG's system allows several selection consoles to work into a common record or tape player, connected by a data bus. The micro-detects coil insertion (via infra-red sensor), computes the number of "plays" allowable for the amount inserted, registers and if necessary stores the customer's keyboard selections.

The micro in each selection console examines the player unit over the data bus and the selections are queued up for playing. Duplicated choices by different customers are only played once. The micro can also be used to see which choices are the more popular and to meter the money.

More data on the micro development system from Micro Services on 0492 22528, and on the juke box controller from Music Hire Group on 0522 559495. The former company will be offering the latter's system mainly in areas outside music systems.

GRAHAM WOOD STEEL STOCKHOLDERS advertisement with contact information for various branches.

FINANCIAL TIMES INTERNATIONAL AND BRITISH OFFICES advertisement listing global office locations and contact details.

Koyo BEARINGS quality delivered on time advertisement.

Constant hot water in Hereford advertisement for F.W. BANK AND PARTNER.

Various small advertisements and notices on the right margin.

Power loss? VCI power converter advertisement for AC to 12 volt battery conversion.

APPOINTMENTS

Victor Matthews joins Board of Associated Television

Victor Matthews has joined the board of ASSOCIATED TELEVISION...

R. H. Dent, Mr. F. J. A. Howard and Mr. H. W. King have been appointed non-executive directors.

Mr. Alan Smith has been appointed by the CO-OPERATIVE BANK as assistant general manager in City and International Affairs.

Mr. James R. Stover has been appointed executive vice-president of EATON CORPORATION.

Mr. Derek Stammers has been appointed general sales director of RACAL INSTRUMENTS.

Mr. Brian Malin has been promoted to U.K. marketing manager from U.K. field sales manager.

Mr. J. D. Ballardie, Mr. R. J. O'row continue as directors of the company.

Mr. Derek Stammers has been appointed general sales director of RACAL INSTRUMENTS.

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Protectionism the chief menace

BY CHARLES SMITH



PROTECTIONISM IN advanced countries, rather than any unwillingness by international bankers to lend South Korea money, represents the chief menace to the country's further economic growth.

HOME CONTRACTS £12m. order for Plessey

PLESSEY AVIONICS AND COMMUNICATIONS has received a further order in excess of £12m. from the Ministry of Defence to supply 1,000 Plessey 5075 (730) VHF-UHF equipment to the Royal Navy.

TAYLOR INSTRUMENT has won an order for process control instrumentation worth over £300,000 from the Ashugaj Fertiliser and Chemical Works of Oman.

SHANKS McEWAN has been awarded a £1m. contract to construct a trunk sewer between Kettering and the sewage treatment works at Finedon.

ROCHFORD-THOMPSON has been awarded an order by the Post Office to supply personalised stationery to the national Giro worth £1.5m.

HERBERT MORRIS is to supply two precision-controlled lifting equipment valued at a total of £50,000 to London Transport for their new underground railway maintenance yards at Stonebridge Park.

DARTEC has won an order from the British Steel Corporation's Special Steels Division for four more fatigue testing machines. The machines, worth more than £60,000, will be used at BSC's Swinden Laboratories at Rotherham.

GEC TELECOMMUNICATIONS has received over £1m. of transmission equipment orders from Cable and Wireless including carrier multiplex equipment to provide new circuits at the Satellite Earth Station in Hong Kong.

N. G. BAILEY AND COMPANY, Sheffield, has obtained orders worth about £100,000 for the complete electrical installation of three stores.

WHITEHALL MACHINERY, Bristol, a DRG (U.K.) company, has received a contract worth £100,000 for the manufacture of six special-purpose, automatic optical glass wrapping machines for Chance-Pilkington.

THE SCOTTISH Development Agency announced plans yesterday to build a £280,000 advance factory at Greenock, Lower Clyde.

Sir William Gray, chairman of the Agency, said: "We are very conscious of the employment problems in the Greenock area. This new factory will be part of our continuing effort to attract industry to Inverclyde."

At the same time, however, seemed to be warning Korea that it might have to consider an alternative to its present strategy of pursuing overwhelmingly fast growth 19 or 10 per cent. per year during the recently initiated fourth five-year plan by going all out for exports (31 per cent. of GNP at the last count).

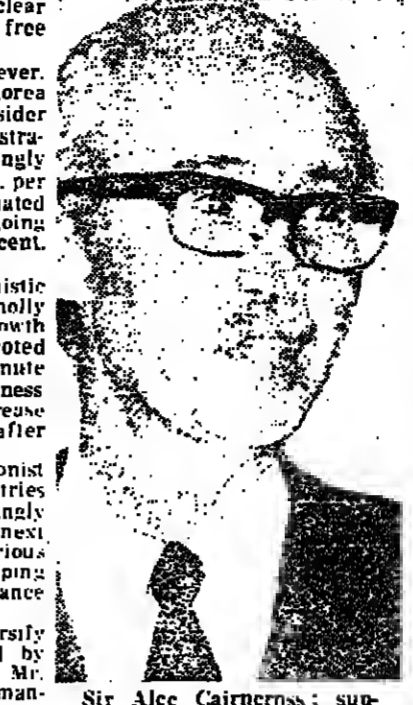
Mr. Brauch seemed pessimistic about free trade and not wholly optimistic about Korea's growth prospects (although he devoted nearly half of a 30-minute address to stressing the rightness of his bank's decision to increase its credit exposure to Korea after the 1973 oil crisis).

He forecast that protectionist lobbies in advanced countries would become "increasingly vocal and effective" in the next several years, posing serious dangers for fast-developing countries with a heavy reliance on exports.

He warned Korea to diversify its exports by market and by products. This, according to Mr. Brauch, the country had not managed to do very effectively up to now given that in 1976, 56 per cent. of Korean exports were still going to the U.S. and Japan—only 1 per cent. less than 14 years ago.

Korea's rejoinder to foreign warnings about excessive and undiversified reliance on exports was to point out, in the words of Deputy Premier Nam Duck-Won, that Korea had achieved truly remarkable growth in the last 15 years (including a 200-fold increase in exports) by following an "outward-looking development strategy."

Nothing like the same rate of progress could have been achieved if the country's growth strategy had been focussed on import substitution rather than the development of export industries, Mr. Nam said.



Sir Alec Cairncross: supports free trade.

As to the risk that the newly-launched fourth five-year plan might be sabotaged by trade barriers in the developed world, Mr. Nam said this would be catastrophic not just for Korea but for the entire world economy.

He closed his speech by painting a grim picture of protectionism leading to "an appalling condition of stagnated development, increasing poverty and accelerating decline on the part of the less-developed nations of the world."

Korean thinking on the free trade issue appears to be that irresponsible surrender to protectionist pressure by the U.S. or Europe for that matter by

Japan) could plunge the world back into a 1930s-style trade war leading ultimately to political as well as economic disaster.

Korea does not see why its exports should be singled out as the target for trade barriers given that, despite a spectacular rise in export earnings, it still accounts for less than one per cent. of world trade. However, Korean speakers tend to go on the defensive when asked about Korea's own record in liberalising imports, which are often subject to strict and fluctuating controls.

Questioned on this point by Sir Alec Cairncross, the most that Mr. Nam could say was that Korea was "reaching the stage when we can liberalise on a planned basis."

Compared with the agitation over trade issues, the conference displayed what seemed to be a calm assurance on the availability of funds to meet Korea's development needs over the next five years.

The fourth five-year plan calls for an input of \$10bn. worth of foreign money into the economy by 1981, although this amount will be dwarfed by domestic investment.

Mr. Brauch "tentatively" thought that both the public and private sectors portions of this sum would be forthcoming, although he added a plea for Korea to shift some of the burden of its foreign borrowing on to the shoulders of North American banks.

Sir Alec had a "hunch" that the real cost in Korea of borrowed foreign funds would rise slightly over the next few years. The Minister of Finance, Mr. Kim Yom-Hwan, in effect answered Mr. Brauch by saying that he planned to diversify both the sources and instruments involved in Korea's foreign borrowing.

He hoped that recently and

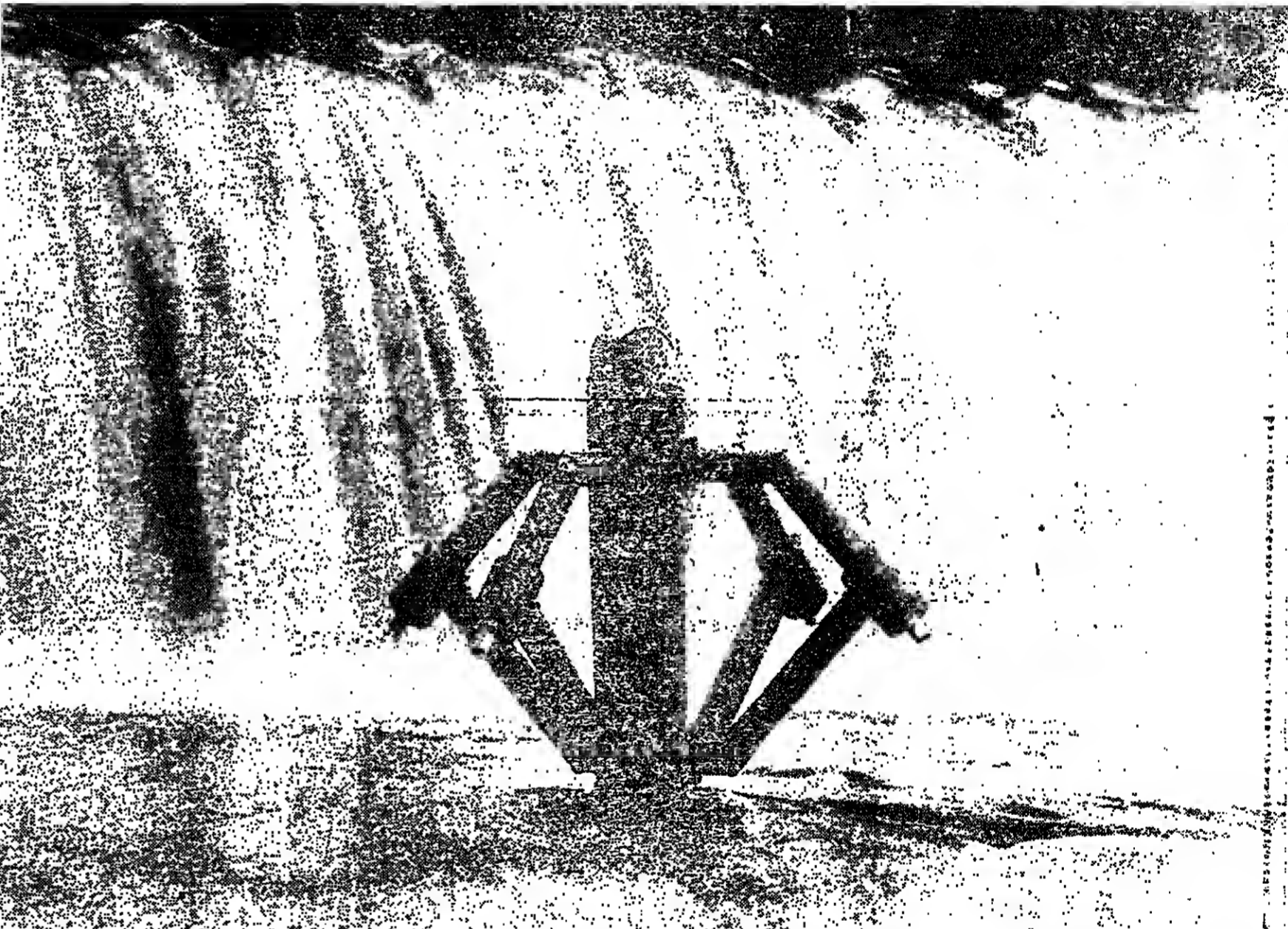


Nam Duck-Won: outward-looking strategy.

so-to-be established foreign bank branches in Seoul would play a big part, Korea would also be making more use of international bond markets.

Mr. Kim's main emphasis, however, was on the need to stimulate domestic savings. He was sure of meeting savings targets set in the five-year plan although outside experts had been sceptical, he said.

The Financial Times conference, jointly sponsored with the Korean Traders Association, is being held for two days at the World Trade Centre in Seoul. The event is the first international business meeting to focus solely on Korea's economic relationship with the outside world.



COMPANY NOTICES

Table with financial data for Republic of Portugal, including loan amounts and interest rates.

Advertisement for RNIB (Royal National Institute for the Blind) featuring a woman and text: "My secretary is blind. I'd be lost without her."

A being from another planet? No, an injector bundle from the new biological purification plant...

ensure that our production processes are non-pollutant and our products environmentally safe. Each year Bayer invests some DM 100 million in the construction of purification plants. In 1976 these installations cost DM 286 million to run, while DM 146 million were spent on environmental research.

Bayer: Success ensures progress

- Investment in research Bayer World: DM 875 million.
Profit after tax for Bayer World: DM 523 million, for Bayer AG: DM 377 million.
Bayer AG capital increased by DM 220 million to DM 2,130 million including premium income of DM 223 million. Total increase in capital resources: DM 443 million.
Allocation to open reserves for Bayer World: DM 104 million, for Bayer AG: DM 71 million, less DM 17 million capital increase expenses in each case.
Dividend for 1976: DM 8 per share of nominal value DM 50. Total distributed: DM 323 million.

- Highlights from 1976
In 1976 business for Bayer and the chemicals industry returned to normal after the rough ride of 1974 and 1975 caused by the oil crisis and the depressed conditions that followed.
Turnover of Bayer World: DM 20,880 million. Production share of foreign subsidiaries and exports: 68%. Turnover Bayer AG: DM 9,655 million, of which 58.5% exported.
Investments Bayer World: DM 1,652 million, of which 73% in the Federal Republic of Germany. Main foreign investments in USA, Brazil and Belgium.

For further information about Bayer please write to: Bayer AG, VS - Public Relations Department, 5090 Leverkusen, West Germany.

Bayer Aktiengesellschaft Leverkusen logo and contact information.

Early 1.6 loss on interest rate fears Pound firm

GOLD MARKET

BY OUR WALL STREET CORRESPONDENT

After a slightly firmer opening, stock prices turned easier on Wall Street today in light early trading.

Among other activities, General Foods rose \$1 to \$34, and Digital Equipment rose \$1 to \$47.

Share dividend income to \$2.00 from \$1.90. CFP lost 1 per cent after announcing lower first-half profits.

Public Authority Loans were mixed, but with losses of up to 20 cents on DMEZs.

JOHANNESBURG—Golds rose further in sympathy with firm Bullion indications following the IMF auction result.

STERLING—Sterling was generally firm for domestic delivery, but again in the foreign exchange market yesterday.



Table of Gold Market prices including Gold Bullion, Gold Coins, and Gold Bars.

OTHER MARKETS

WEDNESDAY'S ACTIVE STOCKS

Table listing active stocks such as IBM, AT&T, and General Electric with their respective prices and changes.

Canada up again

Canadian Stock Markets mainly higher in the last trading session.

STOCKS

STOCKS—Market displayed a low bias in quiet trading.

SWITZERLAND

Switzerland—Slightly firmer active trading with profit-taking being generally well absorbed.

FINANCE

FINANCE—Public Authority Loans were mixed, but with losses of up to 20 cents on DMEZs.

INDUSTRIALS

INDUSTRIALS—Market displayed a low bias in quiet trading.

CURRENCY RATES

Table showing currency rates for various countries including the US Dollar, British Pound, and Japanese Yen.

FOREIGN EXCHANGES

Table of foreign exchange rates for major currencies.

NEW YORK DOW JONES

Table showing the Dow Jones Industrial Average and other market indices.

INDICES

Table of various market indices including the S&P 500 and NYSE Composite.

NEW YORK

Table of New York stock market activity.

MONTREAL

Table of Montreal stock market activity.

TORONTO

Table of Toronto stock market activity.

JOHANNESBURG

Table of Johannesburg stock market activity.

EXCHANGE CROSS-RATES

Table of exchange cross-rates for various currencies.

EURO-CURRENCY INTEREST RATES

Table of Euro-currency interest rates for different maturities.

STANDARD AND POORS

Table of Standard and Poors stock ratings.

OVERSEAS SHARE INFORMATION

Table of overseas share information for various international companies.

NEW YORK

Table of New York stock market activity.

STOCKS

Table of various stock market activity.

CANADA

Table of Canadian stock market activity.

AMSTERDAM

Table of Amsterdam stock market activity.

PARIS

Table of Paris stock market activity.

BRUSSELS

Table of Brussels stock market activity.

NEW YORK

Large table of New York stock market activity including various individual stocks.

STOCKS

Table of various stock market activity.

CANADA

Table of Canadian stock market activity.

AMSTERDAM

Table of Amsterdam stock market activity.

PARIS

Table of Paris stock market activity.

BRUSSELS

Table of Brussels stock market activity.

SWITZERLAND

Table of Swiss stock market activity.

MILAN

Table of Italian stock market activity.

Large advertisement for 'U.K. for' with a large graphic and text.





U.K. introduces licensing for mackerel fishing

THE U.K. Government has introduced licensing for mackerel fishing in its waters from September 1st.

U.K. introduces licensing for mackerel fishing

BY RICHARD MOONEY. THE U.K. Government has introduced licensing for mackerel fishing in its waters from September 1st.

Downturn in metal markets

By John Edwards, Commodities Editor. THERE WAS a general downturn in prices on the London Metal Exchange yesterday.

U.K. Harvest Staggering along in the dust and damp

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT. HARVEST IS still staggering along in its now familiar, miserable pattern.

price rises

Commodities Staff. The price of eggs was higher yesterday by the marketing committees.

EEC may soften sugar stance

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT. BRUSSELS, Sept. 8. HAS asked Governments of the Nine to approve major changes in the EEC's negotiating mandate.

Indian tea levy confusion hits sales

By Our Own Correspondent. CALCUTTA, Sept. 8. THE confusion created by a levy on sales in the West Bengal Budget.

Worst fears

The quality of the grain is concerning all my worst fears as it is showing rotting.

crop hit

MANTLA, Sept. 8. NE SUGAR production is down 2.7m tons.

Cotton export shortage denied

HONG KONG, Sept. 8. THE COTTON EXPORT Corporation of Pakistan has denied Press reports that Pakistan would not have a raw cotton surplus for export this year.

Indian tea levy confusion hits sales

By Our Own Correspondent. CALCUTTA, Sept. 8. THE confusion created by a levy on sales in the West Bengal Budget.

Bumper crops could embarrass India

BY OUR OWN CORRESPONDENT. NEW DELHI, Sept. 8. IT is also hoped that there will be sufficient production of groundnut and other edible oils.

MODITY MARKET REPORTS AND PRICES

Table with multiple columns listing various commodities like metals, coffee, rubber, and their current prices.

L NOTICES

NOTICE OF ADJUDICATION. In the High Court of Justice, Chancery Division, the matter of THE APOLLO ANTQUES LIMITED.

ANY NOTICES

NOTICE OF ADJUDICATION. In the High Court of Justice, Chancery Division, the matter of THE APOLLO ANTQUES LIMITED.

PRICE CHANGES

Table showing price changes for various commodities like meat/vegetables, soyabean meal, and sugar.

ANY NOTICES

NOTICE OF ADJUDICATION. In the High Court of Justice, Chancery Division, the matter of THE APOLLO ANTQUES LIMITED.

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NOTICE OF ADJUDICATION. In the High Court of Justice, Chancery Division, the matter of THE APOLLO ANTQUES LIMITED.

U.S. Markets

Table listing various U.S. market data including gold prices, oil prices, and other commodities.

Trading hours changed

HONG KONG, Sept. 8. THE HONG KONG Commodity Exchange to-day announced that from October 3 it would change its trading hours to enable some overlap with trading in Europe.

FINANCIAL TIMES

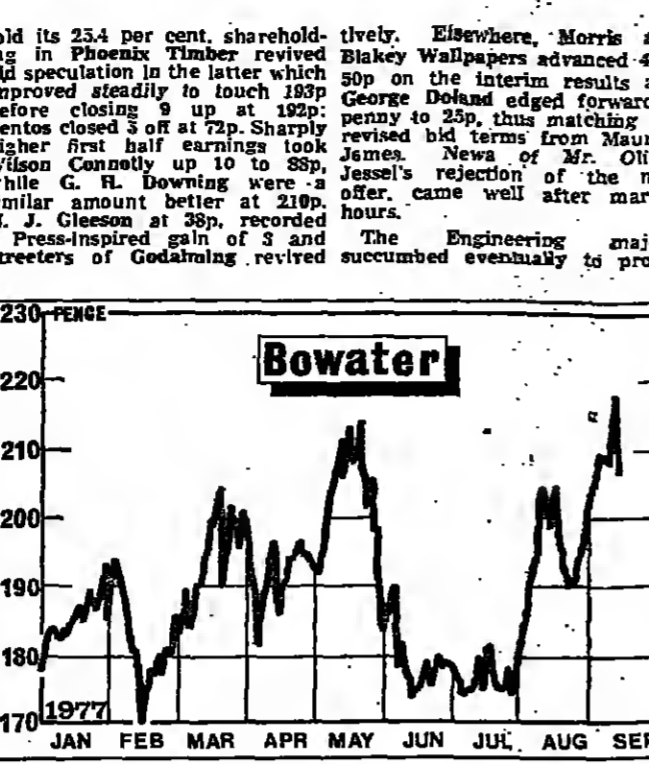
Table with columns for Dow Jones, S&P 500, and other financial indices.

Author

STOCK EXCHANGE REPORT Reaction in leading shares and Gilts on profit-taking Index down 5.2 at 529.0 after 542.9—Funds still up by 7

Account Dealing Dates... First Declared Last Account Dealings... The Financial Times Industrial Ordinary share index yesterday closed 5.2 down at 529.0 after its exhilarating surge of over 100 points since the beginning of the month...

official markings of 8,908 compared with 8,875 the previous day and 8,322 on the week-ago total... The inevitable reaction in the market was to a sharp fall in the index...



with an improvement of 4 at 61p. GKN fell from 364p to 352p after a profit-taking reaction... Bowater, a firm market at 225p in front of the interim results...

to 219p, and English closed a fraction better at 48p, but Scottish Metropolitan lost 3p to 58p and penny falls were seen in BEPC, 111p, and Samuel, 86p... Further widespread and sometimes substantial gains were recorded in Trusts...

FINANCIAL TIMES STOCK INDICES Table with columns for Sept 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31 and various index values.

HIGHS AND LOWS S.E. ACTIVE Table showing high and low prices for various stocks like Glaxo, BHP, and others.

London-registered Tinco-Zinc were affected by financials Goldfields were out-taking and recorded 3 to 28p... Amongst the London-registered Tinco-Zinc were affected by financials Goldfields were out-taking...

NEW HIGHS AND LOWS FOR 1977 Table listing new highs and lows for various companies like British Petroleum, Anglo-Siam, etc.

ENTERTAINMENT GUIDE

Entertainment Guide listing theatres, operas, and musicals. Includes sections for OPERA & BALLET, THEATRES, and MUSICALS with showtimes and locations.

RECENT ISSUES

RECENT ISSUES Table listing various stocks and their recent price movements, including equities and fixed interest stocks.

"RIGHTS" OFFERS

"RIGHTS" OFFERS Table listing companies offering shares and the terms of the offers.

ACTIVE STOCKS

ACTIVE STOCKS Table listing actively traded stocks and their current prices and changes.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Act and the Faculty of Actuaries

EQUITY GROUPS Table showing performance of various equity groups from Thursday, Sept 8, 1977, including indices for different sectors.

FIXED INTEREST PRICE INDICES

FIXED INTEREST PRICE INDICES Table showing yields and prices for various fixed interest securities like British Government bonds.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of authorised unit trusts including categories like Hedge Fund, Practical Invest. Co., and various international funds.

Table of offshore and overseas funds including Fidelity Mgmt. & Res. (Bda.) Ltd., Kemp-Gee Management Jersey Ltd., and various international equity and bond funds.

BASE LENDING RATES

Table of base lending rates for various banks and financial institutions, including Bank of England, Irish Banks, and others.

PRICE MOVEMENTS

Table of price movements for various commodities and financial instruments, including gold, silver, and oil.

INSURANCE, PROPERTY, BONDS

Large table of insurance, property, and bond offerings from various companies like Abbey Life, Equity & Law Life, and others.

INSURANCE BASE RATES

Table of insurance base rates for various types of insurance, including life, fire, and marine.

CLIVE INVESTMENTS LIMITED
1 Royal Exchange Ave., London EC3V 3LU. Tel: 01-253 11015
Index Guide as at 31st August, 1977 (Base 100 at 14.1.77)
Clive Fixed Interest Capital 118.73
Clive Fixed Interest Income 108.08

FT SHARE INFORMATION SERVICE

JERRY TEMPLETON LTD Property Consultants to Commerce and Industry

BRITISH FUNDS table with columns for fund name, price, and change.

Five to Fifteen Years table with columns for fund name, price, and change.

Over Fifteen Years table with columns for fund name, price, and change.

Undated table with columns for fund name, price, and change.

INTERNATIONAL BANK table with columns for bank name, price, and change.

CORPORATION LOANS table with columns for company name, price, and change.

COMMONWEALTH & AFRICAN LOANS table with columns for company name, price, and change.

LOANS (Miscel) table with columns for loan name, price, and change.

FOREIGN BONDS & RAILS table with columns for bond name, price, and change.

AMERICANS table with columns for stock name, price, and change.

AMERICANS - Continued table with columns for stock name, price, and change.

CANADIANS table with columns for stock name, price, and change.

BANKS AND HIRE PURCHASE table with columns for bank name, price, and change.

Hire Purchase, etc. table with columns for company name, price, and change.

BEERS, WINES AND SPIRITS table with columns for brand name, price, and change.

AMERICANS table with columns for stock name, price, and change.

BUILDING INDUSTRY, TIMBER AND ROADS table with columns for company name, price, and change.

BUILDING INDUSTRY - Cont. table with columns for company name, price, and change.

BUILDING INDUSTRY - Cont. table with columns for company name, price, and change.

CHEMICALS, PLASTICS table with columns for company name, price, and change.

CINEMAS, THEATRES AND TV table with columns for company name, price, and change.

DRAPERY AND STORES table with columns for company name, price, and change.

DRAPERY AND STORES - Cont. table with columns for company name, price, and change.

ELECTRICAL AND RADIO table with columns for company name, price, and change.

ENGINEERING, MACHINE TOOLS table with columns for company name, price, and change.

ENGINEERING, MACHINE TOOLS table with columns for company name, price, and change.

ENGINEERING - Continued table with columns for company name, price, and change.

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ENGINEERING - Continued table with columns for company name, price, and change.

HOTELS - Continued

HOTELS table with columns for hotel name, price, and change.

INDUSTRIALS (Miscel)

INDUSTRIALS (Miscel) table with columns for company name, price, and change.

FOOD, GROCERIES, ETC.

FOOD, GROCERIES, ETC. table with columns for company name, price, and change.

HOTELS AND CATERERS

HOTELS AND CATERERS table with columns for company name, price, and change.

Handwritten signature or note at the bottom of the page.

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms, with columns for stock price, dividends, and other financial metrics.

INSURANCE - Continued

Table of insurance companies such as British Overseas Airways, British Petroleum, and various insurance providers, listing their stock prices and financial data.

PROPERTY - Continued

Table of property-related stocks and companies, including various real estate and construction firms, with associated stock prices and financial information.

TRUSTS - Continued

Table of trust and investment funds, listing various trusts and their performance metrics, including stock prices and dividends.

TRUSTS - Continued

Continuation of the trusts table, listing additional trust and investment funds with their respective financial details.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade companies, including manufacturers and distributors of vehicles and aircraft parts.

SHIPPING

Table of shipping companies, listing various maritime transport firms and their stock prices.

SHIPPING

Continuation of the shipping table, listing more shipping companies and their financial data.

SHIPBUILDERS, REPAIRERS

Table of shipbuilding and repair companies, including firms involved in the construction and maintenance of ships.

SHIPPING

Continuation of the shipping table, listing additional shipping companies and their financial details.

SHIPPING

Continuation of the shipping table, listing more shipping companies and their financial data.

SHIPPING

Table of shipping companies, listing various maritime transport firms and their stock prices.

SHIPPING

Continuation of the shipping table, listing additional shipping companies and their financial details.

SHIPPING

Continuation of the shipping table, listing more shipping companies and their financial data.

SHIPPING

Table of shipping companies, listing various maritime transport firms and their stock prices.

SHIPPING

Continuation of the shipping table, listing additional shipping companies and their financial details.

SHIPPING

Continuation of the shipping table, listing more shipping companies and their financial data.

NOMURA advertisement featuring the company logo and contact information for their London office, including the address and phone number.

MINES - Continued

Table of mining companies, listing various mineral extraction firms and their stock prices.

MINES - Continued

Continuation of the mines table, listing additional mining companies and their financial details.

MINES - Continued

Continuation of the mines table, listing more mining companies and their financial data.

INSURANCE

Table of insurance companies, listing various insurance providers and their stock prices.

PROPERTY

Table of property-related stocks and companies, including various real estate and construction firms.

TRUSTS, FINANCE, LAND

Table of trust and investment funds, listing various trusts and their performance metrics.

TRUSTS, FINANCE, LAND

Continuation of the trusts and finance table, listing additional trust and investment funds.

TRUSTS, FINANCE, LAND

Continuation of the trusts and finance table, listing more trust and investment funds.

TRUSTS, FINANCE, LAND

Continuation of the trusts and finance table, listing additional trust and investment funds.

Notes and regional markets section containing various financial notices, regional market data, and options information.



HALL & PICKLES SHELFIELD STEEL WIRE TOOLS

Union and NPA meet to-day on Express

BY CHRISTIAN TYLER AND MAX WILKINSON

A TOP-LEVEL meeting between newspaper publishers and engineering union leaders has been called to-day in an attempt to settle the five-day dispute which is disrupting production in London of the Daily Express.

Stevens, the managing director, has indicated to the unions that they would be prepared to see the closure of the Daily and Sunday Express and the Evening Standard rather than give way before what they consider a flagrant example of industrial indiscipline.

Matthews has chosen the path of confrontation with the trade unions. I am not debating the merits of the AUEW's case, but the way it has been handled is appalling.

Bakers' union calls national strike starting to-morrow

BY CHRISTIAN TYLER, LABOUR EDITOR

A NATIONAL strike intended to halt bread supplies from 6 a.m. to-morrow morning was called by the bakers' union yesterday. The strike, in pursuit of a claim for free bank holidays, could also affect the manufacture of biscuits, sausages and meat pies.

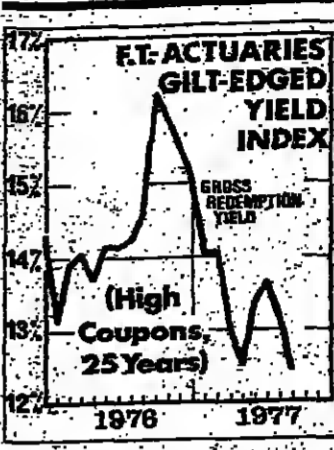
The last national strike was in 1974, over a wages claim. That lasted 10 days, caused widespread shortages, and was settled by a compromise worked out with the help of ACAS.

The market pause for breath

THE LEX COLUMN

The equity market's headlong charge towards the FT 30 Share Index's all-time peak got a within 0.7 points of the target by 11 a.m. yesterday, but a rise of over 40 points in less than five days' trading proved impossible to sustain and the profit takers gained the upper hand.

Index fell 5.2 to 529.0



profits were rising at a rate of well over 20% and stock appreciation had off sharply in the half of the year. The replacement of the "real" figures will still rise in line with, or faster than, gearing effect will sharply the "real" figures.

Cadbury Schweppes Cadbury Schweppes' pre-tax profits of £18.7m. per cent. ahead, on a similar growth in sales. The company's margins have been 22m. increase in net charges, although the fall in the tax charge has been a little less.

Arab assembly of BAC missile may be agreed

BY MICHAEL TINGAY

CAIRO, Sept. 8.

BRITISH SWINGFIRE anti-tank missiles may be assembled by the Arab military industries organisation (AOI) following an agreement earlier this year between the higher council of the Arab arms organisation and the guided weapons division of the British Aircraft Corporation, according to Western military sources here.

Observers conclude that this would apply in BAC's case. There is no indication how quickly the Swingfire project could get under way and the AOI, which was set up in May 1975, with a capital of \$1.043m. subscribed by Saudi Arabia, Qatar, the UAE and Egypt, has been extremely cautious in its decision-making.

to replace the infantry's anti-tank capacity and, more important, to renew the ageing Soviet SAM missile system. The last Middle East war exposed Egypt's low-level air defence gap when Israeli aircraft flew in below the level of the SAM 2 and SAM 3 and even under the low-level SAM 8 batteries.

Callaghan calls off talks with Schmidt

BY ADRIAN DICKS

BONN, Sept. 8.

MR. JAMES GALLAGHAN, the Prime Minister, today called off his visit to Bonn for two days of private talks with Chancellor Helmut Schmidt, due to begin tomorrow. The state is that Herr Schmidt and his colleagues from other commitments as the Schleyer kidnapping drama moves towards its resolution.

would effectively break the tougher stance towards terrorists to which the West German authorities have held ever since the same crisis staff, under the same Chancellor, decided to shoot it out two years ago during the attack on the West German Embassy in Stockholm.

Surprise trade surplus fall weakens current account

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

BRITAIN'S current account has not been improving as rapidly as has been estimated up till now, as a result of a surprise fall in the surplus on invisible trade. Earnings from tourism and other services, such as banking and insurance, are still continuing to grow rapidly. But this has been more than offset by a combination of lower commodity earnings, higher interest payments abroad on the large amount of official borrowing in the past year and rising profits of foreign oil companies operating in the North Sea.

Even though the second quarter total may have been especially boosted by the Jubilee celebrations, the underlying tourist trend remains strong with increases in both the number of overseas visitors and their average expenditure per head. Meanwhile, fewer U.K. residents travelled abroad and their average spending fell.

The overall favourable trend on the balance of payments is shown by a combined surplus on current and capital accounts—the second in successive quarters—of £910m. On the capital account, there has been little change in the underlying level of official sterling balances after taking account of the sale of Government foreign currency bonds.

Drive to cut industry's telephone bill

BY ADRIAN DICKS

BONN, Sept. 8.

A SCHEME has been launched to help industry and commerce reduce telephone bills by educating employees to take greater care over their calls. Spearheading the new campaign is Dialing who uses the phone carefully, thereby increasing overheads.

that it could not afford to finance the gas utility companies, which bankers are looking never mind the strain of huge amounts of loan stock on its balance-sheet—and is looking for a way out.

Weather

U.K. TO-DAY MAINLY DRY with sunny intervals. Cloudy and rain in some areas. London, S.E. England, E. Anglia Sunny intervals, perhaps isolated showers, 16C (61F).

BUSINESS CENTRES table with columns for City, Day, and Year.

HOLIDAY RESORTS table with columns for City, Day, and Year.

Using your machine tools Portugal can do you a good turn. As the wheels of Portugal's industry turn, British machine-tool makers should lose no time in cutting themselves in on a great opportunity.

BANCO TOTTA & REDA. For a great deal of advice and practical assistance you have only to contact Banco Totta & Agores, Portugal's oldest and also one of its largest banks.

Advertisement for Gilts and equities, featuring a large image of a person's face and the text 'Gilts from equities rise 1.1'.